SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1922.

No. 307.

THE UNITED STATES OF AMERICA, APPELLANT,

vs.

AMERICAN LINSEED OIL COMPANY, AMERICAN LINSEED COMPANY, ANKENEY LINSEED MFG. CO., ET AL.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS.

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1 Pleas in the District Court of the United States for the Northern District of Illinois, Eastern Division, begun and held at the United States court room, in the city of Chicago, in said district and division, before the Honorable George A. Carpenter, district judge of the United States for the Northern District of Illinois, on the third day of December, in the year of our Lord one thousand nine hundred and twenty-one, being one of the days of the regular November term of said court, begun Monday, the seventh day of November, and of our independence the 145th year.

Present: Honorable George A. Carpenter; Robert R. Levy, U. S. marshal; John H. R. Jamar, clerk.

2 In the District Court of the United States, Northern District of Illinois, Eastern Division.

UNITED STATES OF AMERICA, PLAINTIFF,
vs.
AMERICAN LINSEED OIL CO. ET AL., DEFENDANT. } No. 1490.

Be it remembered that heretofore, to wit, on the 30th day of June, 1920, came the above-named complainant, by its solicitor, and filed its bill of complaint, as follows:

3 In the District Court of the United States for the Northern District of Illinois, Eastern Division.

In Equity. No. 1490.

United States of America, plaintiff, *vs.* American Linseed Oil Company and others, defendants.

Bill of complaint.

I.

THE PARTIES.

The United States of America, by its attorney for the Northern District of Illinois acting under the direction of the Attorney General, brings this bill of complaint against the following defendants, being corporations and associations existing under or authorized by the laws of the United States or of the several States, doing business as indicated in connection with their respective names:

American Linseed Company, New York, N. Y.
Ankeney Linseed Mfg. Company, Des Moines, Iowa.
Archer-Daniels Linseed Company, Minneapolis, Minn.
William O. Goodrich Company, Milwaukee, Wis.
Hirst & Begley Linseed Company, Chicago, Ill.

Minnesota Linseed Oil Company, Minneapolis, Minn.
National Lead Company, New York, N. Y.
Northern Linseed Oil Company, Minneapolis, Minn.
Red Wing Linseed Oil Company, Red Wing, Minn.
The Sherwin-Williams Company, Cleveland, Ohio.
The Toledo Seed & Oil Company, Toledo, Ohio.
The Mann Bros. Company, Buffalo, N. Y.

4 and the Armstrong Bureau of Related Industries; and the following individuals residing at and doing business in the city of Chicago in this district:

Julian Armstrong and Montagu Ferry, both doing business under the name of, and hereinafter referred to as, the said bureau.

II.

THE JURISDICTION.

This bill of complaint is brought to prevent the said defendants from further engaging in and carrying out, at Chicago in this district and throughout the United States, a combination and conspiracy in restraint of trade and commerce in linseed oil among the several States, in violation of the act of Congress of July 2, 1890 (26 Stat. 209), entitled "An act to protect trade and commerce against unlawful restraints and monopolies," and against the public policy of the United States of America.

III.

THE COMMODITY.

Linseed oil is an oil obtained from flaxseed by mechanical pressure which separates the seed into a solid mass, called linseed-oil cake, and the oil called linseed oil. This oil is an important ingredient of paints and varnishes, oilcloths, linoleums, and other articles, and is continuously used in enormous quantities for such purposes by the manufacturers of paints and varnishes, oilcloths, and linoleums throughout the United States.

IV.

THE INTERSTATE COMMERCE WHICH HAS BEEN RESTRAINED.

The defendant manufacturers (comprising all the defendants with the exception of the aforesaid bureau and the two individual defendants) are nearly all of the most important producers of linseed oil in the United States, and they have been engaged

5 for a long time, in the States and at the places indicated above in connection with their respective names and elsewhere throughout the United States, in purchasing flaxseed, in pressing or crushing the same into linseed-oil cake and linseed oil, and in selling and shipping such products throughout the United States,

particularly in selling and shipping and causing to be transported the linseed oil thus produced to the aforesaid manufacturers of paint and varnish and oilcloth and linoleum situated throughout the United States.

In or about the year 1916 the defendant manufacturers sold linseed oil at wholesale as aforesaid for about 50 cents per gallon. During the war with Germany the prices obtained by the defendant manufacturers for linseed oil increased enormously, until late in the month of September, 1918, prices ranging in the neighborhood of $1.80 per gallon wholesale were obtained by the defendants. The natural operation of the force of competition amongst the defendants would thereafter have tended to reduce such prices to more reasonable levels, if it had been allowed to operate amongst them without suppression or restriction.

V.

THE CONSPIRACY IN RESTRAINT OF INTERSTATE COMMERCE.

Thereupon, in October, 1918, and continuously thereafter to the present time, the defendants unlawfully engaged in a combination and conspiracy amongst themselves in restraint of the above described interstate commerce in linseed oil produced by the defendant manufacturers (a) to suppress competition in prices amongst the defendant manufacturers in making sales of linseed oil in interstate commerce as aforesaid, (b) to enhance the prices at which such oil was sold as aforesaid, and (c) to retard the lowering of such prices—all by means of a so-called "open-price plan" or "open-competition plan," and particularly:

6 (1) By explaining the purpose of the aforesaid "plan," in a pamphlet describing the same, as follows:

"COOPERATION BETWEEN COMPETITORS.

"Among other time-worn maxims that need revision in the light of modern experience we can well scrutinize that one about competition being 'the life of trade.' A little tampering is sufficient; and fortunately our revised version carries a pleasing alliteration—'Constructive competition is the life of trade,'"

meaning by the words "constructive competition" competition which does not consist in the lowering of prices; and by referring in such pamphlet to the exchange of information amongst the defendants, as hereinafter fully described, and stating that it was believed that—

"the exchange of such information under definite obligatory service contracts would create a recognized and stable market in any district,"

meaning by the words "definite obligatory service contracts" the contractual obligations hereinafter described; and by explaining further in said pamphlet that—

"this plan throws competition upon quality of goods and service rendered, rather than upon price alone,"
meaning by "this plan" the plan herein described; and by further explaining in a recent authorized statement the purpose of such "plan," as follows:

"Manufacturers of linseed oil, members of the Linseed Crushers' Industrial Council, are working at all times towards a stabilized market for their product by their co-operative work through the service of the Armstrong Bureau of Related Industries."

(2) By each defendant manufacturer contracting with the said bureau to keep secret all information received under the said "open-price" or "open-competition" plan, through the said bureau, or at the monthly meetings hereinafter mentioned, and the terms of the contracts embodying such "plan" hereinafter referred to (Exhibit A); and

7 (3) By each defendant manufacturer contracting with the defendant bureau to deposit with the said bureau United States bonds of from $1,000 to $10,000 par value, according to volume of business, subject to forfeiture in the event of failure by the depositor, in any manner whatsoever, to comply with any contractual obligation to the said bureau (Exhibit A); and

(4) By the said bureau contracting with each defendant manufacturer to promptly relay and transmit the information hereinafter referred to, as and when received by it, from each of the defendant manufacturers, to all the other defendant manufacturers (Exhibit A); and

(5) By each defendant manufacturer contracting with the said bureau that there should be monthly meetings of the said defendant manufacturers at which a representative of the said bureau should be present (Exhibit A); and

(6) By each defendant manufacturer contracting with the said bureau that the United States should be divided into zones for the purpose of carrying out the plan herein described (Exhibit A); and

(7) By orally agreeing at the meeting of November 13, 1918, that such zones should be eight in number (as indicated in the annexed map market "Exhibit B"), and that prices established by the defendant manufacturers for zone 1 should be designated as base prices, and that prices in zone 2 should be one cent, in zone 3 two cents, in zone 4 four cents, in zone 5 six cents, in zone 6 seven cents, in zone 7 eight cents, and in zone 8 eleven cents per gallon higher than said base prices (minutes of meeting of November 13, 1918); and by each defendant manufacturer contracting with the said bureau to send to such bureau each week a compiled re-

8 port showing the total amounts of oil sold, and the prices per gallon received by the defendant manufacturer sending the report in each such zone each week; and

(8) By each defendant manufacturer contracting with the said bureau to file with such bureau the published price lists of such

manufacturer, and all changes therein, as and when made, to be immediately transmitted by the said bureau as aforesaid to all the other defendant manufacturers (Exhibit A); and by orally agreeing at a meeting on September 17, 1918, that if any defendant manufacturer should make any change in his prices so filed and transmitted to the other defendants he should immediately inform said bureau, and that such bureau should immediately relay such information to all the other defendant manufacturers (minutes of meeting of September 17, 1918); and

(9) By orally agreeing at the meeting of November 13, 1918, that the making of "special" prices, meaning a price to one customer different from regularly established prices, by any of the defendant manufacturers was to be condemned as "unfair merchandising" (minutes of meeting of November 13, 1918); and

(10) By each defendant manufacturer contracting with the said bureau (a) to report to said bureau by prepaid telegram any quotation which should be made by such manufacturer at variance with the price lists filed by him as aforesaid giving better terms to the prospective buyer than those quoted in such filed price lists; and (b) to report at the same time the prospective buyer's name and address if one car-load or more of oil was involved; and (c) to report the exact prices, terms, discounts, quantities, and any changes in such quotation or terms (Exhibit A), it being provided that all
9 such information concerning an attempt to make a sale on better terms to the buyer than the prices previously filed with the said bureau and transmitted to the other defendants should be immediately transmitted by the said bureau to all the other defendants; and

(11) By each defendant manufacturer contracting with the said bureau (a) to mail to such bureau at the close of business each day a report of all the carload sales of oil of such manufacturer for that day, disclosing the actual selling prices of each such sale; (b) to report to such bureau each month the number of gallons of oil such manufacturer had on hand and not covered by sale or contract; and (c) that any defendant manufacturer questioning a report made by any other defendant manufacturer to such bureau might call for an investigation by the bureau, in the course of which there should be turned over by the defendant manufacturer whose report should be questioned, for examination by the auditor of the bureau, all vouchers, books of account, correspondence, and such other documents as might be requested by the said auditor; and

(12) By orally agreeing (a) that fractions of a cent should be eliminated by the defendant manufacturers in future in making sales of oil (minutes of meeting of September 17, 1918; (b) that the terms of sale of the defendant manufacturers should be changed to a cash basis after November 1, 1918 (minutes of meeting of October 9, 1918); and (c) that the defendant manufacturers should in future adhere to the following terms of sale: Net cash sight draft

against bill of lading on car lots of 68 barrels, warehouse delivery terms, 30 days net, one cent per gallon discount for cash in ten days (minutes of meeting of November 16, 1918); and

(13) By retarding the lowering of prices for linseed oil
10 during the period from October, 1918, to March 5, 1919, by:

(a) Filing with the said bureau, and transmitting through it to all the defendant manufacturers, the price lists of each such manufacturer, pursuant to the obligations and agreements hereinabove referred to;

(b) Furnishing continuous assurance to all the defendant manufacturers that each such manufacturer would not lower the prices which he had thus communicated to the other manufacturers until further notice;

(c) Assuring each defendant manufacturer at any given time that it would not encounter competition from the other defendant manufacturers for the time being at less than the prices filed and transmitted as aforesaid;

(d) Thus inducing defendant manufacturers not to lower prices for the time being below those so filed and transmitted;

(e) More particularly, filing with the said bureau, pursuant to the obligations and agreements hereinabove set forth, on November 25 and 26, 1918, the price of $1.53 per gallon for linseed oil in carload lots for immediate delivery, as being effective for each and all of the defendant manufacturers, for immediate delivery in zone 1;

(f) Thereby determining a uniform and greater price for deliveries in each of the other of said zones, in accordance with paragraph 7 above;

(g) Continuing such prices as effective for each and all of the defendant manufacturers, without change, throughout the remainder of November, 1918, and the whole of December, 1918, and until the 14th of January, 1919;

(h) Filing with the said bureau, on January 15 and 16, 1919, the price of $1.43 per gallon for linseed oil, in carload lots, as being effective for each and all of the defendant manufacturers, for immediate delivery in zone 1;

(i) Thereby determining a uniform and greater price for deliveries in each of the other of said zones, in accordance with paragraph 7 above;

(j) Continuing such prices as effective without change for each and all of the defendant manufacturers throughout the remainder of January, 1919, and the whole of February, 1919, and until the 5th of March, 1919; and

(14) By enhancing the prices at which the defendant manufacturers sold linseed oil as aforesaid during the period from
11 March 5, 1919, until Aug. 26, 1919, by:

(a) Filing with the said bureau the price lists of each such manufacturer, pursuant to the obligations and agreements hereinabove referred to;

(b) Furnishing continuous assurance to all the defendant manufacturers that each such manufacturer would not sell linseed oil until further notice for less than the prices which he had thus communicated to the other manufacturers;

(c) Assuring each and every defendant manufacturer at any given time that he would not encounter competition from the other defendant manufacturers for the time being at less than the prices filed and transmitted as aforesaid;

(d) Following the leadership of one another in enhancing prices from time to time;

(e) More particularly, filing with the said bureau, pursuant to the obligations hereinabove described, on the 5th and 6th days of March, 1919, the price of $1.48 per gallon for linseed oil in carload lots for immediate delivery in zone 1, as being effective for each and all of the defendant manufacturers;

(f) Thereby establishing a uniform and greater price for delivery in each of the other said zones, in accordance with paragraph 7 above;

(g) Continuing such prices so filed unchanged, as effective for each and all of the defendant manufacturers, throughout the remainder of March, 1919, and until the 9th of April, 1919;

(h) Filing with the said bureau, pursuant to the obligations and agreements hereinabove described, on the 9th and 10th days of April, 1919, the price of $1.51 per gallon for linseed oil in carload lots for immediate delivery in zone 1, as effective for each and all of the defendant manufacturers;

(i) Thereby determining a uniform and greater price for deliveries in each of the other of said zones, in accordance with paragraph 7 above;

(j) Continuing such prices so filed unchanged, as effective for each and all the defendant manufacturers, until the 23rd of April, 1919;

(k) Filing with the said bureau, pursuant to the obligations and agreements hereinabove mentioned, on and between the 23rd and the 28th days of April, 1919, the price of $1.56 per gallon for linseed oil in carload lots for immediate delivery in zone 1, as effective for each and all of the defendant manufacturers;

12 (l) Thereby determining a uniform and greater price for deliveries in each of the other of said zones, in accordance with paragraph 7 above;

(m) Filing with the said bureau, pursuant to the aforesaid obligations and agreements, in the latter part of May, 1919, and throughout June, 1919, in rapid succession price lists for linseed oil in carload lots for immediately delivery, showing rapid increases in such prices;

(n) Thereby inducing each defendant manufacturer to rapidly enhance his prices;

(o) Filing with the said bureau, pursuant to the obligations and agreements hereinabove mentioned, on and between June 28, 1919,

and July 2, 1919, as effective for each and all of the defendant manufacturers, the price of $1.93 per gallon for linseed oil in carload lots for immediate delivery in zone 1;

(p) Thereby determining a uniform and greater price for deliveries in each of the other of said zones, in accordance with paragraph 7 above;

(q) Filing with the said bureau, pursuant to the obligations and agreements hereinabove mentioned, on and between July 7 and 10, 1919, as effective for each and all of the defendant manufacturers, the price of $2.10 per gallon for linseed oil in carload lots for immediate delivery in zone 1;

(r) Thereby determining a uniform and greater price for deliveries in each of the other of said zones, in accordance with paragraph 7 above;

(s) Thereafter and until July 24, 1919, rapidly filing in like manner rapid increases in prices in response to the leadership of one another;

(t) Filing with the said bureau, pursuant to the obligations and agreements hereinabove mentioned, on and between July 24, 1919, and July 31, 1919, as effective for each and all of the defend-
13 ant manufacturers, the price of $2.20 per gallon for linseed oil in carload lots for immediate delivery in zone 1;

(u) Thereby determining a uniform price for deliveries in each of the other of said zones, in accordance with paragraph 7 above;

(v) Continuing such prices so filed unchanged, as effective for each and all the defendant manufacturers, from July 31, 1919, to August 26, 1919; and

(15) By retarding the lowering of prices for linseed oil at certain times during the period from August 26, 1919, until the present date, and at other times in such period enhancing the prices for such oil, by:

(a) Filing with the said bureau the price lists of each and all of the defendant manufacturers, pursuant to the obligations and agreements hereinabove referred to;

(b) Furnishing continuous assurance to each and all the defendant manufacturers that each such manufacturer would not lower the prices which he had thus communicated to the other manufacturers until further notice;

(c) Assuring each defendant manufacturer, at any given time in such period, that such manufacturer would not encounter competition from the other defendant manufacturers for the time being at less than the prices filed by them as aforesaid;

(d) Thus inducing the defendant manufacturers at many times not to lower their prices below those so filed and transmitted;

(e) Following the leadership of one another in enhancing prices so filed and transmitted at certain times throughout such period;

(f) More particularly, filing with the said bureau, pursuant to the obligations hereinabove described, during the period from August 26, 1919, to October 1, 1919, the price of $2.10 per gallon for linseed

oil in carload lots for immediate delivery in zone 1, as being effective for each and all of the defendant manufacturers;

(g) Thereby determining a uniform and greater price for deliveries in each of the other of said zones, in accordance with paragraph 7 above;

(h) Filing with the said bureau, pursuant to the obligations and agreements hereinabove described, on October 1st and 2nd, 1919, the price of $1.84 per gallon for linseed oil in carload lots
14 for immediate delivery in zone 1, as effective for each of the defendant manufacturers;

(i) Thereby determining a uniform and greater price for deliveries in each of the other of said zones in accordance with paragraph 7 above;

(j) In the manner and under the obligations and agreements above described, and with similar results to those above described, filing at the times indicated below with the said bureau the following uniform prices per gallon for linseed oil in carload lots for immediate delivery in zone 1:

October 6 to November 10, 1919	$1.70
November 22 to November 28, 1919	1.75
November 29, 1919, to Dec. 11, 1919	1.85
January 13, 1920, to February 27, 1920	1.75
March 4, 1920, to March 8, 1920	1.77
March 8, 1920, to April 2, 1920	1.82
April 6, 1920, to April 16, 1920	1.82

as effective for each of the defendant manufacturers:

April 16, 1920, to April 21, 1920	1.79
April 23, 1920, to May 27, 1920	1.72
June 1, 1920, to June 22, 1920	1.69

thus inducing certain of the defendant manufacturers not to adhere to lower prices tentatively filed by them with said bureau from time to time during the said period, but to file prices in uniformity with the prices of the other defendant manufacturers above set forth.

VI.

THE IMMEDIATE MENACE OF CON'INUING THE COMBINATION AND CONSPIRACY.

The defendants are still actively engaged in carrying out their said unlawful combination and conspiracy to suppress competition, to enhance prices, and to retard the lowering of prices by the means hereinabove described, and they declare that they intend to continue to carry on their said activities in all respects as heretofore. Unless this court shall promptly issue its injunction restraining the defendants from carrying out, by the means hereinabove described or otherwise, their said unlawful combination and conspiracy the further unlawful maintenance and enhancement of the present abnormally high prices of linseed oil by such means will constitute an irreparable public injury in that such prices will be transmitted to and paid by

the public without possibility of restitution; and especially in
15 that numerous essential industries will be induced by such abnormally high prices to largely curtail their purchases of linseed oil in interstate commerce, and thus to largely curtail their production of paint, varnish, oilcloth, and linoleum, in which such oil is a necessary ingredient, at this critical period when decrease of production is a menace and increase of production is vital to the economic welfare of the United States.

VII.

THE PRAYER.

Wherefore petitioner prays:

1. That writs of subpœna issue directed to each and every of the defendants commanding them to appear herein and answer, but not under oath (answer under oath being hereby expressly waived) the allegations contained in this bill of complaint, and to abide by and perform such orders and decrees as the court may make in the premises.

2. That the court order this cause to be heard on the subsequent application of the plaintiff for a preliminary injunction after ten days' notice to the defendants, and that the court upon such application and hearing issue its preliminary injunction against the defendants and all other persons whose names are unknown to the plaintiff unlawfully combining and conspiring with them as aforesaid, and all other persons whomsoever, commanding and enjoining them pending the final hearing of this cause—

(a) Not to carry out or perform in any manner the contractual provisions or agreements amongst the defendants herein above described;

(b) Not to exchange amongst themselves, directly or indirectly, in any manner the information described in the body of this bill of complaint, and in particular not to exchange the information as to prices charged or to be charged by the defendant manufacturers as described in this bill; and

16 (c) Not to do any further act or thing whatsoever having the purpose or tendency to continue in effect or to further the above-described conspiracy to maintain and enhance the prices of linseed oil.

3. That the court upon final hearing of this suit decree and adjudge that the defendants have engaged in a combination and conspiracy to suppress competition amongst themselves in the sale of linseed oil, to enhance their prices therefor, and to retard the lowering of such prices, in the manner and by the means described in this bill, in violation of the aforesaid act of Congress; and that the court thereupon issue its permanent injunction against the defendants and all persons unlawfully combining and conspiring with them in all respects as specified in paragraph 2 of this prayer.

4. That petitioner have such other further and general relief as the nature of the case may require and the court deem proper in the premises.

CHARLES F. CLYNE,
United States Attorney, Northern District of Illinois.

HENRY S. MITCHELL,
Special Assistant to the Attorney General.

Dated June, 1920.

STATE OF ILLINOIS,
County of Cook, ss.:

R. Colton Lewis, being first duly sworn, on oath states that he has read the foregoing bill and knows the contents thereof, and that he firmly believes the allegations contained therein are true.

R. COLTON LEWIS.

Subscribed and sworn to before me this 30th day of June, 1920.

JOHN H. R. JAMAR,
Clerk, United States District Court,
Nor. Dist. of Ill.

(Endorsed:) June 30, 1920. John H. R. Jamar, clerk.

17 And on, to wit, the 14th day of August, 1920, came the defendants by their attorneys and filed in the clerk's office of said court a certain answer in words and figures following, to wit:

18 In the District Court of the United States for the Northern District of Illinois, Eastern Division.

UNITED STATES OF AMERICA, PLAINTIFF, *vs.* AMERICAN LINSEED OIL COMPANY ET AL., DEFENDANTS.	In Equity, No. 1490.

Answer.

Now come Julian Armstrong, personally, and doing business as the Armstrong Bureau of Related Industries, Montague Ferry, and—
Ankeney Linseed Mfg. Company, Des Moines, Iowa.
Archer-Daniels Linseed Company, Minneapolis, Minn.
Minnesota Linseed Oil Company, Minneapolis, Minn.
Northern Linseed Oil Company, Minneapolis, Minn.
Red Wing Linseed Oil Company, Red Wing, Minn.
The Toledo Seed & Oil Company, Toledo, Ohio.
The Mann Bros. Company, Buffalo, N. Y.
The Sherwin Williams Company, Cleveland, Ohio.
by John Walsh and Albert N. Eastman, their solicitors, without waiving any rights, benefits, or advantages that said defendants may have, and saving and reserving unto themselves the benefits of all exceptions to errors and imperfections in the bill of complaint

in this cause, for their joint and several answer thereto, or to such portion thereof as they are advised it is necessary or material for them to answer, say:

I.

These answering defendants deny each and every allegation in Article II of the bill of complaint.

II.

19 These answering defendants admit the allegations in Articles I and III of the bill of complaint.

III.

These answering defendant companies deny that they and the other defendant companies comprise nearly all of the most important producers of linseed oil in the United States, as alleged in the first part of the first paragraph of Article IV of the bill of complaint. They admit, as alleged in said Article IV, that the defendant companies have been engaged, some of them for a long time, in purchasing flaxseed; in pressing or crushing the same into linseed meal cake and linseed oil; in selling and shipping such products throughout the United States, particularly in selling and shipping, and causing to be transported, the linseed oil thus produced to the manufacturers of paint, varnish, oilcloth, and linoleum situated throughout the United States.

Answering the second paragraph of said Article IV, these answering defendants admit that in or about the year 1916 the defendant manufacturers sold linseed oil at wholesale prices ranging from fifty to seventy-five cents per gallon.

Further answering said second paragraph, these defendants admit that during the war with Germany until late in the month of September, 1918, the prices of linseed oil increased to a price ranging in the neighborhood of $1.80 per gallon wholesale, but deny that such increases in price were caused by any combination or conspiracy, direct or indirect, amongst the defendants, and allege that the cooperative activities of the defendant manufacturers with the Armstrong Bureau of Related Industries did not begin to function until late in September, 1918, and after the market price of
20 $1.80 had obtained, and further allege that from the inception of said cooperative activities the market prices continually declined until on or about March 5, 1919, when a low point of $1.43 a gallon wholesale for linseed oil was reached by some of the defendant manufacturers.

Further answering the second paragraph of said Article IV, these answering defendants further deny that they and the other defendants, or any of them, since the inception of said cooperative activities entered into any combination or conspiracy, or made any agreements, express or implied, orally or otherwise, to eliminate competition amongst the defendants as did, or would, interfere with the natural

operation of the force of competition amongst the defendants to prevent reduction in prices of linseed oil, or any "suppression or restriction" of "competition amongst the defendants."

IV.

These anwering defendants deny each and every allegation in the first paragraph of Article V of the bill of complaint, and they specifically deny that in October, 1918, and contin'ously thereafter to the present time (June 30, 1920), or at any other time, the defendants engaged in a combination and conspiracy amongst themselves in restraint of interstate commerce in linseed oil (a) to suppress competition in prices amongst the defendant manufacturers in making sales of linseed oil in interstate commerce, as aforesaid; (b) to enhance the prices at which such oil was sold, as aforesaid; and (c) to retard the lowering of such prices by means of a so-called "open price plan" or "open competitive plan," or by any other means.

21 Further answering subdivision (1) of said Article V, the defendants, Julian Armstrong and Montague Ferry admit for themselves that there was published and circulated by and with their knowledge and consent, but without the knowledge of the other defendants hereto, a book of eighty-nine (89) pages entitled "Intelligent Selfishness, a Business Builder," from which complainant has quoted a few lines and excerpts, but these answering defendants deny that the said book was published by or with the consent of the other defendants and deny the meaning or inferences drawn therefrom, as set forth and alleged in the bill of complaint, or that the contents of said book are in any manner pertinent to the issues in controversy, or rights of the defendants, but should said book or its contents be considered by the court as pertinent to the issues herein the entire book should be considered, that its true meaning, purport, intent, and purpose may be fully ascertained.

Further answering subdivision (1) of said Article V, these answering defendants deny that the words "constructive competition," as used in said book, mean "competition which does not consist in the lowering of prices."

Further answering subdivision (1) of said Article V, these answering defendants admit that the statement referred to in the bill of complaint was authorized by these defendants, but allege that complainant has only quoted a portion of the statement, which statement in full is as follows:

"A STABILIZED MARKET IS A PUBLIC-SERVICE MARKET.

"Most buyers of linseed oil use that product in materials of which the oil is only a part.

"Such finished products must be manufactured and distributed well in advance of their purchase and use by the consumer—the public.

"The manufacturers of those finished products, in order to produce and merchandise them at a profit, should be afforded as stable a raw material market as the producers of such raw material can lawfully afford them.

22 "The manufacturers of linseed oil, members of the Linseed Crushers' Industrial Council, are working at all times towards a stabilized market for their product by their cooperative work through the service of the Armstrong Bureau of Related Industries.

"In addition to that public service many features of merchandising which were against the best interests of the industry and the trade have been eliminated since the institution of their cooperative work.

"Users of linseed oil will receive a comprehensive explanation of the cooperative activities of this group of manufacturers by writing for the book 'Intelligent Selfishness a Business Builder,' or a personal visit for the same purpose is cordially invited.

"Call or write Linseed Crushers' Industrial Council, directed by the Armstrong Bureau of Related Industries, 11 La Salle Street, South Chicago, Illinois."

These answering defendants further allege that copies of the above authorized statement were published at the instance of said bureau in the following trade journals, which are devoted primarily to the paint, oil, and drug industries, to wit:

"Paint, Oil & Drug Review, Chicago.

"Painter and Decorator, Lafayette, Ind.

"Drugs, Oils and Paints, Philadelphia.

"Oil, Paint, and Drug Reporter, New York City.

"Paint and Varnish Record, New York City.

"American Paint Journal, St. Louis, Mo."

Further answering subdivision (2) of said Article V, these answering defendants admit that they, Julian Armstrong, signing under the said name and style of the Armstrong Bureau of Related Industries, and all of the defendants (other than Montague Ferry), have executed and delivered, and ever since, up to the time of the filing of the bill of complaint herein, have been operating under the contract, a copy of which is attached to the bill of complaint as Exhibit A, and so allege the fact to be and that they and each of

23 them have acted strictly within and adhered to the terms, conditions, obligations, and provisions thereof, and not otherwise, and so operating have kept and preserved full, true, accurate, and complete records of each, every, any, and all of their acts, and of all meetings held in pursuance of said contract and also of all that has transpired at said meetings, but deny that there is any provision in said contract by which the defendant manufacturers agree to keep secret information received through the said Armstrong Bureau of Related Industries in the manner alleged in the bill of complaint, or in any other manner.

Further answering subdivision (2) of said Article V, these answering defendants allege that said "bureau" has kept and pre-

served full, true, correct, and complete records of each, every, any, and all of their acts and of all meetings held in pursuance of said contract, and also of all that has transpired at said meetings, and further allege that a true and correct copy of said contract, which was signed by the defendant manufacturers, was forthwith upon its execution filed with the Department of Justice and the Federal Trade Commission and due acknowledgment made thereof by said departments; and it is further alleged that the defendants have repeatedly applied to these governmental agencies for information and guidance, and have repeatedly tendered to the Government and requested an inspection and supervision of all of said records, and have sought in consultation with Government officials (in so far as the Government officials expressed themselves authorized to act) the fullest cooperation in establishing and building up fair, honest, and lawful business methods and dealings.

These defendants expressly deny any "oral" agreements or
24 any understandings or agreements in any manner whatsoever relating to said business that have not been and are not so recorded, all of which records these defendants hereby tender and submit to the inspection of this court, but deny the right of the complainant to cite or quote isolated excerpts therefrom and thus distort their true intent and meaning.

Further answering, these defendants allege that from time to time buyers of linseed oil responded to the invitations of said bureau, openly given, to inspect the records and methods of operation of the Armstrong Bureau of Related Industries and its council members, and no one who so investigated made any criticism at the time of such investigation or thereafter, so far as known to these answering defendants, of the activities of the bureau or its council members, defendant manufacturers.

Further answering, these answering defendants admit that the statements contained in subdivision (3), (4), (5), and (6) of said Article V are some of the terms, conditions, and provisions of the contract, attached to the bill of complaint as Exhibit A, but deny that said contractual relations were intended to or did constitute or form any combination of conspiracy, in whole or in part, among the defendants in restraint of interstate commerce in linseed oil produced by the defendant manufacturers or to suppress competition in prices among the defendant manufacturers in making sales of linseed oil in interstate commerce or to enhance prices at which such oil was to be sold or to retard the lowering of such prices.

Further answering subdivision (7) of said Article V, these answering defendants admit that for the purpose of their operations and for no other purpose and pursuant to the terms of said contract
25 Exhibit A they have divided the United States into zones, as set forth in Exhibit B, attached to the bill of complaint, but allege that the difference in prices in the various zones, as set forth in subdivision (7) of said Article V, represents only actual cash disbursements, to wit, freight rates in the transportation of com-

modities, and were recommended after careful research and examination of the established railroad rates throughout the United States, and were recommended for the purpose of intelligently reporting under the provisions of said contract, Exhibit A, attached to the bill of complaint, and in no manner whatsoever were used to control or affect, or did control or affect, the prices of the commodity charged by any of the defendant manufacturers or paid by any consumer, and that the practice of dividing the United States into zones for the purposes of allocating freight charges has for many years been a common trade practice in other industries.

Further answering subdivision (7) of said Article V, these answering defendants deny that at the meeting of November 13, 1918, or at any other time, they agreed orally, or in any other manner discussed, established, or sought to establish, in any manner or form, any so-called base or any other price or prices for zone 1 or any other zone.

Further answering, these answering defendants admit that the defendant manufacturers contracted with said "bureau," as alleged in subdivision (8) of said Article V, but deny that there was any oral agreement as therein so alleged or that said contractual relation was intended to, or did, constitute or form any combination
26 or conspiracy, in whole or in part, among the defendants in restraint of interstate commerce in linseed oil produced by the defendant manufacturers and to suppress competition in prices among the defendant manufacturers in making sales of linseed oil in interstate commerce, or to enhance prices at which such oil was to be sold, or to retard the lowering of such prices.

Further answering, these answering defendants deny the allegation in subdivision (9) of said Article V, and allege that the following is the true and correct action taken by the defendants by way of resolution adopted with respect to the matter of quoting "special prices":

"Resolved that it be the sense of the meeting that a practice of quoting special prices to preferred buyers by any subscriber who does not then extend similar advantages to his other customers is unfair merchandising, and any revision in any subscriber's price list shall be made to at once obtain for his entire trade and shall thus be immediately published by him."

Further answering said subdivision (9), these answering defendants allege that such resolution was adopted to prevent price discrimination between different purchasers, in conformity with the provisions of section two of the Clayton Act.

Further answering, these answering defendants admit that the defendant manufacturers contracted with said "bureau" as alleged in subdivision (10) of said Article V, but deny that said contractual relations were intended to, or did, constitute or form any combination or conspiracy in whole or in part, among the defendants in restraint of interstate commerce in linseed oil produced by the defendant manufacturers, or to suppress competition in prices among

27 the defendant manufacturers in making sales of linseed oil in interstate commerce, or to enhance prices at which such oil was to be sold, or to retard the lowering of such prices, and allege that on the contrary such practice was intended and did result in greater competition than had existed under the old practice of giving preferential prices to favored buyers.

Further answering, these answering defendants admit that the defendant manufacturers contracted with said "bureau," as alleged in subdivision (11) of Article V, but deny that said contractual relations were intended to or did constitute or form any combination or conspiracy in whole or in part among the defendants in restraint on interstate commerce in linseed oil produced by the defendant manufacturers, or to suppress competition in prices among the defendant manufacturers in making sales of linseed oil in interstate commerce, or to enhance prices at which such oil was to be sold, or to retard the lowering of such prices.

Further answering, these answering defendants deny each and every allegation contained in subdivision (12) of Article V.

Further answering, these answering defendants deny each and every allegation contained in subdivision (13), (14), and (15) of said Article V, except subparagraph "a" in each of said subdivision (13), (14), and (15) of said Article V, and allege that the statements therein made are incorrect, untrue, and contrary to the full and accurate information in regard thereto, voluntarily furnished to the Department of Justice by the Armstrong Bureau of Related Industries on behalf of these answering defendants and the other defendants in this cause.

V.

28 Further answering, these answering defendants deny all charges of every kind whatsoever, or insinuated, in said bill of complaint, or otherwise, of unlawful combination or conspiracy for any of the purposes specified or alleged in said bill of complaint, but on the contrary allege, as hereinbefore set forth, that all of their acts and records in the matter have been open to all persons entitled thereto, and to many others, more particularly to the United States Government and its departments and officials, and deny that any of the acts and doing of these answering defendants, admitted or alleged to have been performed in pursuance of said contract as hereinbefore set forth, have in any manner whatsoever suppressed competition, or enhanced prices, or retarded the lowering of prices, but on the contrary allege the fact to be, as hereinbefore set forth, disclosed, and alleged, that it has been and is the purpose and intent of these answering defendants and the other defendants to operate, and they have done so at all times, in such manner as would tend to prevent unfair and ruinous business practices and to promote fair and honest dealings among competitors, to the end that the laws of the States and the United States will at all times be obeyed, and a great benefit result to the consuming public.

Further answering, these answering defendants deny that there is now, or was at any time, any obligation on the part of any of the defendant manufacturers to support or carry out any recommendation of the Armstrong Bureau of Related Industries, or of other defendant manufacturers, which in any way would or did handicap or interfere with independent action on the part of any of the defendants in reference to their business or the policies thereof.

29 Further answering, these defendants deny each, every, and all allegations of said bill of compalint not heretofore specifically admitted or otherwise answered, and pray that the said bill of complaint may be dismissed for want of equity and the defendants discharged and awarded their costs in manner and form as provided by the statute and the rules of this honorable court.

JOHN WALSH,
Solicitor for the answering defendants.
P. O. address: 404 Southern Building, Washington, D. C.

Of counsel:
EASTMAN, WHITE & HAWXHURST,
P. O. address: 108 So. La Salle Street, Chicago, Illinois.

ALBERT N. EASTMAN,
Solicitor for the answering defendants.
P. O. address: 108 So. La Salle Street, Chicago, Illinois.

LOUIS A. SPIESS,
P. O. address: 404 Southern Building, Washington, D. C.

CHS. S. REED,
P. O. address: 1011 Leader News Bldg., Cleveland, Ohio.

For Sherwin-Williams Co.
(Endorsed:) Filed Aug. 14, 1920. John H. R. Jamar, clerk.

30 And on, to wit, the 14th day of August, 1920, came the defendant by its solicitors and filed in the clerk's office of said court a certain answer in words and figures following, to wit:

31 In the District Court of the United States, for the Northern District of Illinois, Eastern Division.

In equity.

United States of America, plaintiff, vs. American Linseed Oil Company and others, defendants.

Answer.

Now comes William O. Goodrich Company, one of the abovenamed defendants, by Willet M. Spooner, its solicitor, without waiving any rights, benefits, or advantages that said defendant may have, and saving and reserving unto itself all manner of and the benefits of all exceptions that may be had to the errors, uncertainties and

imperfections of the bill of complaint in this cause, for its answer thereto, or to so much thereof as it is advised is necessary or material to be answered, and says:

I.

This answering defendant admits the allegations in Article I of the bill of complaint.

II.

This answering defendant denies that it has ever en-
32 gaged in or carried out, either at Chicago in said district or anywhere else in the United States, any combination or conspiracy in restraint of trade or commerce in linseed oil among the several States in violation of the act of Congress of July 2, 1890 (26 Stats. 209), entitled "An act to protect trade and commerce against unlawful restraints and monopolies," or in any combination or conspiracy against the public policy of the United States of America.

III.

This answering defendant admits the allegations in Article III in said bill of complaint contained.

IV.

Answering Article IV of the bill of complaint, this answering defendant denies upon information and belief that this defendant and the other defendant manufacturers herein are nearly all of the most important producers of linseed oil in the United States.

Admits that it has, and upon information and belief that the other defendant manufacturers have, for some period of time been engaged in the business of purchasing flaxseed; in pressing or crushing the same into linseed-meal cake and linseed oil, and in selling and shipping such products throughout the United States, causing said linseed oil to be sold and shipped to manufacturers of paint, varnish, oilcloth, and linoleum situated throughout the United States.

Admits that in or about the year 1916 it and defendant manufacturers, as this answering defendant is informed and believes, sold linseed oil at various wholesale prices ranging from fifty cents to seventy-five cents per gallon, and that during the war with Germany the prices at which it and defendant manufacturers sold linseed oil at wholesale increased and that in the month of September,
1918, the defendant manufacturers sold linseed oil at various
33 wholesale prices in the neighborhood of one and 80/100 dollars per gallon, but this answering defendant alleges that the several defendants herein, including this answering defendant, charged and received different prices for the sale of said linseed oil

at wholesale from time to time within the range of prices above set forth, and further alleges that the prices obtained for said linseed oil as above named and at the times referred to were the prices obtained by practically all persons, firms, and corporations engaged in the business of selling linseed oil at wholesale and was not confined in any wise to the defendant manufacturers, and that the increase in the price of said oil as set forth in the complaint herein was due to natural causes and laws controlling the prices of said oil and the natural operation of the force of competition among the persons, firms, and corporations engaged in the business of selling such commodity or commodities, including the defendant manufacturers.

Further answering this answering defendant denies that it has at any time entered into any combination or conspiracy, or made any contract or agreement, express or implied, oral, written, or otherwise, with the other defendants herein, or any of them, in restraint of trade or commerce in said commodities, or any of them, or which, directly or indirectly, hindered or in any wise interfered with the natural operation of the force of competition among defendants, or any of them, to suppress or restrict, or which did in fact suppress or restrict said competition.

V.

This defendant, answering Article V of the bill of complaint, denies that in October, 1918, and continuously thereafter to
34 the present time, or any other time, it engaged in a combination or conspiracy with the other of said above-named defendants, or any of them, in restraint of interstate commerce in linseed oil (a) to suppress competition in prices amongst the defendant manufacturers, or any of them, in making sales of linseed oil in interstate commerce; (b) to enhance the prices at which said oil was sold; (c) to retard the lowering of such prices or for any other one or more of said purposes by means of a so-called "open-price plan" or "open-competitive plan," or by any other means.

Answering subdivision (1) of said Article V, this answering defendant alleges that the above-named defendants, Julian Armstrong and Montague Ferry, published and circulated a book of eighty-nine pages, entitled "Intelligent Selfishness, A Business Builder," of which this answering defendant received a copy, but alleges that said book was published and circulated by said defendants without the prior knowledge of this answering defendant.

This answering defendant admits the accuracy of the quotations set forth in the bill of complaint in subdivision (1) of Article V thereof as being excerpts or quotations from said book above referred to, but denies that the meaning attached to said quotations and inferences drawn therefrom by complainant are true, accurate, and correct meanings and inferences.

Further answering the allegations of subdivision (1) of Article V of said bill of complaint, this answering defendant denies the

meaning ascribed by the complainant to the words "constructive competition" as used in said book as meaning "Competition which does not consist in the lowering of prices."

35 Further answering said subdivision (1) of said Article V, this answering defendant admits on information and belief that said defendants, Julian Armstrong and Montague Ferry, issued a statement, a portion of which is quoted in said paragraph of said bill of complaint, and alleges that said statement in full is as follows:

"A STABILIZED MARKET IS A PUBLIC SERVICE MARKET.

"Most buyers of linseed oil use that product in materials of which the oil is only a part.

"Such finished products must be manufactured and distributed well in advance of their purchase and use by the consumer—the public.

"The manufacturers of those finished products, in order to produce and merchandise them at a profit, should be afforded as stable a raw-material market as the producers of such raw material can lawfully afford them.

"The manufacturers of linseed oil, members of the Linseed Crushers' Industrial Council, are working at all times towards a stabilized market for their product by their cooperative word through the service of the Armstrong Bureau of Related Industries.

"In addition to that public service many features of merchandising which were against the best interests of the industry and the trade have been eliminated since the institution of their cooperative work.

"Users of linseed oil will receive a comprehensive explanation of the cooperative activities of this group of manufacturers by writing for the book, Intelligent Selfishness a Business Builder, or a personal visit for the same purpose is cordially invited.

"Call or write. Linseed Crushers' Industrial Council. Directed by the Armstrong Bureau of Related Industries, 11 La Salle Street, South, Chicago, Illinois."

36 This answering defendant further alleges, on information and belief, that copies of the above-mentioned statement were published at the instance of said bureau in the following trade journals, which were and are devoted primarily to paint, oil, and drug industries, to wit:

Paint, Oil & Drug Review, Chicago.
Painter and Decorator, Lafayette, Ind.
Drugs, Oils, and Paints, Philadelphia.
Oil, Paint, and Drug Reporter, New York City.
Paint and Varnish Record, New York City.
American Paint Journal, St. Louis, Mo.

Answering subdivision (2) of Article V of said bill of complaint, this answering defendant admits that the defendant manufacturers entered into the contract, a copy of which is attached to said bill of complaint as "Exhibit A."

Further answering subdivision (2) of Article V of said bill of complaint, this answering defendant admits that said contract, Exhibit "A," provides that the contracting parties thereto should treat in complete confidence and not disclose to any other persons, except as provided in said contract, the information received by it through said bureau or information received at any of the meetings of persons contracting with said bureau held under the terms of said contract, except those lawfully entitled to such information, but alleges that said provision of said contract was not entered into with any ulterior or unlawful motive, design, or purpose, nor in furtherance of, nor as a part of, any combination or conspiracy in restraint of trade, but was made and entered into solely to protect the right of each of said defendant manufacturers to retain within his own knowledge information as to details of his individual business except in so far as he chose to disclose such information; and, as a matter of fact, open invitations have been extended to the buyers of oil to examine and inspect the records of said bureau; that from
37 time to time various buyers of linseed oil have responded to said invitations; and further answer in that behalf, this answering defendant alleges that said bureau has kept and preserved full, true, correct, and complete records of each and every and all of the acts of this defendant, and of said bureau, and of all meetings held in pursuance of said contract, and also of all that has transpired at said meetings, and further alleges on information and belief that a true and correct copy of said contract was forthwith, on its execution, filed with the Department of Justice and the Federal Trade Commission, and due acknowledgment made thereof by said departments, and alleges further that defendant and its codefendants, by means of and through the said bureau, have repeatedly applied to these governmental agencies for information and guidance, and have repeatedly tendered to the Government and requested an inspection and supervision of all of said records, and have sought in consultation with Government officials (in so far as the Government officials expressed themselves authorized to act) the fullest cooperation in establishing and building up fair, honest, and lawful business methods and dealings.

This answering defendant hereby tenders and submits all of the said records for the inspection of this court, but denies the justice or right of complainant to cite or quote isolated excerpts therefrom as evidencing any acts on the part of this answering defendant, or any or all of said defendants, and thus distorting the true meaning, purport, intent, and purpose of said records so cited or quoted.

This answering defendant admits that the allegations contained in subdivisions (3), (4), and (5) of said Article V state in substance some of the provisions of the said contract attached to the bill of complaint as Exhibit "A."

Answering subdivision (6) of Article V, this answering de-
38 fendant denies any contract, arrangement, or agreement, written or verbal, and of any name or nature, between it and any

or all of the defendants herein to divide the United States into zones for the purpose of carrying out any plan or plans, combination, conspiracy, or any agreement or arrangement in relation thereto, directly or indirectly, as alleged in said bill of complaint, but alleged the fact to be that defendant manufacturers contracted with said bureau to divide a map of the United States into zones for the purpose of compiling the weekly sales reports provided for in said contract, Exhibit "A."

Answering subdivision (7) of Article V, this answering defendant denies that at the meeting on November 13, 1918, or at any other time it orally or in any other manner agreed with the other of said defendants or any of them to divide the United States into eight zones or any other number of zones, or discussed, established, or sought to establish in any manner or form any so-called base or any other price or prices for zone 1 or any other zone, but alleges the fact to be that at a meeting of said defendants held on November 13, 1918, under and pursuant to said contract, Exhibit "A," the said defendants herein, for the purpose of establishing a convenient method of reporting prices, identifying and exchanging market information and compiling sales reports, a recommendation was approved dividing the United States into eight zones as indicated upon the map, Exhibit "B," attached to the bill of complaint, and recommending a differentiation in prices between the various zones as set forth in said subdivision (7) of Article V, but alleges that said division and differentiation was only a recommendation to said defendant manufacturers, and was based upon and related and relates only to freight rates on the transportation of said commodi-
39 ties, and that said recommendation was made after and was based upon a careful research and examination of established freight rates throughout the United States, said recommendation expressly recognizing, however, the power and the right of each and every of said defendant manufacturers to disregard both the said zones and said differentiation in price therein recommended, and this answering defendant denies that said recommendation, either as to zones or differentiation in price, in any manner whatsoever was intended or used to control or affect, nor did it, directly or indirectly, control or affect in any manner whatsoever the prices of the commodities sold by any of the defendant manufacturers or the amounts paid by any consumer or purchasee thereof, and alleges that the practice referred to, namely, dividing the United States into zones for the purpose of allocating freight charges has for many years been a common trade practice in various other industries.

Further answering subdivision (7) of Article V this answering defendant admits that it and the other of said defendant manufacturers contracted with said bureau to send to it each week a compiled report showing the total amounts of oil sold and the prices per gallon received by the defendant manufacturers sending the report as to each zone each week.

This defendant admits that the allegations contained in subdivision (8) of said Article V state in substance some of the provisions of said contract, Exhibit "A," but denies that at the meeting of September 17, 1918, or at any other time, the said defendant manufacturers entered into any oral agreement as alleged in said subdivision (8) of Article V.

Answering subdivision (9) of Article V this defendant denies that it or said defendant manufacturers entered into any oral agreement as therein alleged, but alleges the fact to be that the following is the true and correct action taken by the defendants by way
40 of resolution adopted with respect to the matter of quoting "special prices":

"Resolved, That it be the sense of the meeting that a practice of quoting special prices to preferred buyers by any subscriber who does not then extend similar advantages to his other customers is unfair merchandising and any revision in any subscriber's price list shall be made to at once obtain for his entire trade and shall thus be immediately published by him."

Further answering said subdivision (9), this defendant alleges that said resolution was adopted in an effort to induce the said defendant manufacturers not to discriminate in prices between different purchasers similarly situated and was intended to be and was and is in conformity with the spirit and intent of section 2 of the so-called Clayton Act.

This defendant admits the allegations of fact in subdivisions (10) and (11) of said Article V.

Further answering, this answering defendant denies each and every allegation contained in subdivision (12) of said Article V.

Further answering, this defendant denies each and every allegation contained in subdivisions (13), (14), and (15) of said Article V, but admits that during the periods mentioned in said subdivisions (13), (14), and (15) it filed with the said bureau, and that the other of said defendant manufacturers filed with said bureau, and that said bureau transmitted to all of said defendant manufacturers, the price lists of each such manufacturer pursuant to the provisions of said contract, Exhibit "A."

Further answering said Article V, this answering defendant denies that the contractural relations herein admitted to exist, or any of said contractural relations or any recommendations adopted or acts done pursuant to said contractural relations, or said recommendations, or otherwise, were intended to or did constitute or form any combination or conspiracy, in whole or in part, among the
41 said defendants, or any of them, in restraint of interstate commerce in linseed oil produced or handled by the defendant manufacturers in making sales of linseed oil in interstate commerce, or to suppress competition in prices among the defendant manufacturers in making such sales, or to enhance prices at which said oil was to be sold, or to retard the lowering of such prices.

Further answering, this answering defendant denies that there is now or was at any time any duty or obligation, direct or indirect, express or implied, on the part of this defendant or any of said defendant manufacturers to comply with, support, or carry out any recommendation of said bureau, or of the other defendant manufacturers, or any of them, whether adopted at any of said meetings or not, and denies that there was any such duty or obligation to comply with, support, or carry out any such recommendation which would in any way or which did interfere or tend to interfere with independent action on the part of any of the defendant manufacturers in reference to their respective businesses or the policies thereof.

VI.

This answering defendant denies that it now is or ever was engaged, actively or otherwise, in carrying out any combination or conspiracy to suppress competition or to enhance prices or to retard the lowering of prices by the means described in said bill of complaint, or by any other means, and denies that this defendant now has or ever had any intention to combine or conspire for any of said purposes with the other said defendants, or any of them.

Further answering, this defendant denies all allegations of
42 every kind whatsoever made or insinuated in said bill of complaint or otherwise wherein it is claimed or asserted, directly or indirectly, that this defendant is or at any time has been a party to any plan, agreement, or arrangement of any kind or nature by way of combination or conspiracy to unlawfully enhance or suppress prices or to prevent full and free competition in the commodities described or in any wise in conflict with the so-called Sherman Anti-trust Act, or any part thereof.

This defendant alleges, as hereinbefore set forth, that all of the acts and records of said defendants in the matter have been open to all persons entitled thereto, and to many others, more particularly to the United States Government, and its departments and officials, and denies that any of the acts of the defendants, admitted or alleged to have been performed in pursuance of said contract, as hereinbefore set forth, have in any manner whatsoever suppressed competition, or enhanced prices, or retarded the lowering of prices, but on the contrary alleges the fact to be, as hereinbefore set forth, disclosed, and alleged, that it has been, and is, the purpose and intent of this answering defendant, and the other defendants, to operate, and they have done so at all times, in such manner as would tend to prevent unfair and ruinous business practices and to promote fair and honest dealings among competitors.

Further answering, this defendant denies each, every, any, and all allegations of said bill of complaint, not heretofore specifically admitted or otherwise answered, and prays that the said bill of com-

plaint may be dismissed for want of equity and this defendant
43 discharged and awarded its costs in manner and form as provided by the statutes and the rules of this honorable court.

EMIL CHRITTEN,
108 So. La Salle St., Chicago.
WILLETT M. ———,
Solicitor for the Answering Defendant.
P. O. Address: 68 Wisconsin Street, Milwaukee, Wisconsin.

Of counsel:
LINES, SPOONER & QUARLES,
P. O. Address: 68 Wisconsin Street, Milwaukee, Wisconsin.

(Endorsed:) Filed Aug. 14, 1920. John H. R. Jamar, clerk.

44 And on, to wit, the 31st day of August, 1920, came the defendant by its solicitors and filed in the clerk's office of said court a certain answer in words and figures following, to wit:

45 In the District Court of the United States, Northern District of Illinois, Eastern Division.

UNITED STATES OF AMERICA, PLAINTIFF,
vs.
AMERICAN LINSEED OIL COMPANY ET AL., DEFENDANTS. } No. 1490.

Answer.

Now comes National Lead Company, by Mayer, Meyer, Austrian & Platt and William W. Green, its solicitors, and without waiving any rights, benefits, or advantages that said defendant may have and saving and reserving unto itself the benefit of all exceptions to the manifold errors and imperfections in the bill of complaint filed in the above-entitled cause for its separate answer thereto or to such portion thereof as it is advised it is necessary and material for it to answer, says:

I.

Answering Article II of the bill of complaint the answering defendant denies that it and the other defendants or any of them are or have been engaged in or carrying out any combination or conspiracy in restraint of trade and commerce.

II.

The answering defendant admits the allegations in Article I and III of the bill of complaint.

III.

The answering defendant denies that it in company with the
46 other defendant companies comprise nearly all of the most important producers of linseed oil in the United States as alleged in the first part of Article IV of the bill of complaint.

It admits as therein alleged that the answering defendant has been engaged for a long time in purchasing flaxseed, in pressing or crus'ing the same into linseed oil cage and linseed oil, and in selling and shipping such products throughout the United States, particularly in selling and shipping and causing to be transported the linseed oil thus produced to manufacturers of paint, varnish, oil cloth, and linoleum throughout the United States.

Answering the second paragraph of said Article IV, the answering defendant admits that in or about the year 1916 said defendant sold linseed oil at wholesale prices ranging from 50 to 75¢ per gallon, but denies that the average price in and about said year of linseed oil amounted to 50¢ per gallon; but, on the contrary, said defendant alleges that the average price of linseed oil for said year amounted to 75.8¢ per gallon, and for considerable periods in said year ranged as high as 96¢ per gallon.

Further answering said second paragraph the answering defendant admits that during the war with Germany until late in the month of September, 1918, the price of linseed oil increased to prices ranging in the neighborhood of $1.80 per gallon wholesale, but denies that such increase in price was caused by any combination or conspiracy direct or indirect amongst the defendants, and alleges that the cooperative activities of the defendant manufacturers and the activities of this defendant in connection therewith, and with the Armstrong Bureau of Related Industries, did not commence
47 to function until late in September, 1918, and that at the time when such co-operative activities began to function the market price of linseed oil was more than $1.80 per gallon, and was in fact $1.90 per gallon; and further alleges that from the inception of the said activities the market price for said linseed oil continually declined until on or about March 5, 1919, when the market price of linseed oil at wholesale amounted to $1.45 per gallon.

Further answering the second paragraph of said Article IV the answering defendant denies that it and the other defendants, or any of them, entered into any combination or conspiracy or made any agreements, express or implied, orally or otherwise, to eliminate competition, whether between the answering defendant and the other defendants herein, or between the answering defendant and anyone else, or in fact to eliminate competition in any way or manner; and further denies that it in any way suppressed or restricted competition whether amongst the defendants or otherwise; and further denies that it conspired or agreed with the other defendants herein in any way to maintain prices; and further denies that it conspired or agreed with the other defendants herein to prevent or retard the reduction of prices to more reasonable levels.

IV.

The answering defendant denies each and every allegation in the first paragraph of Article V of the bill of complaint, and it specifically denies that in October, 1918, or continuously thereafter to the

present time (June 30, 1920) or otherwise, the defendants engaged in a combination or conspiracy amongst themselves in restraint of interstate commerce in linseed oil produced by the defendant manufacturers (a) to suppress competition in prices amongst the
48 defendant manufacturers in making sales of linseed oil as aforesaid, (b) to enhance the prices at which said oil was sold as aforesaid, and (c) to retard the lowering of such prices by means of a so-called "open-price plan" or "open-competition plan."

Further answering subdivision 1 of said Article V, the answering defendant admits that there was published and circulated a book of eighty-nine pages, entitled "Intelligent Selfishness, a Business Builder," from which complainant has quoted a few lines and excerpts, but this answering defendant denies that said book or pamphlet was published by the defendant or by the Linseed Crushers' Industrial Council, or by the authority of either.

Further answering subdivision 1 of said Article V, the answering defendant alleges that the statement referred to in the bill of complaint was submitted to and approved by it in company with the other defendants named in said bill of complaint, but alleges that complainant has only quoted a portion of the statement, which statement, in full, is as follows:

"A STABILIZED MARKET IS A PUBLIC-SERVICE MARKET.

"Most buyers of linseed oil use that product in materials of which the oil is only a part.

"Such finished products must be manufactured and distributed well in advance of their purchase and use by the consumer—the public.

"The manufacturers of those finished products, in order to produce and merchandise them at a profit, should be afforded as stable a raw-material market as the producers of such raw material can lawfully afford them.

"The manufacturers of linseed oil, members of the Linseed Crushers' Industrial Council, are working at all times towards a stabilized market for their product by their cooperative work through the service of the Armstrong Bureau of Related Industries.

"In addition to that public service, many features of mer-
49 chandising which were against the best interests of the industry and the trade have been eliminated since the institution of their cooperative work.

"Users of linseed oil will receive a comprehensive explanation of the cooperative activities of this group of manufacturers by writing for the book 'Intelligent Selfishness, a Business Builder,' or a personal visit for the same purpose is cordially invited.

"Call or write Linseed Crushers' Industrial Council, directed by the Armstrong Bureau of Related Industries, 11 La Salle Street South, Chicago, Illinois."

Further answering subdivision 2 of said Article V, the answering defendant admits that it signed and delivered the contract, a copy of which is attached to the bill of complaint as Exhibit "A," and so alleges the fact to be, and that it has acted strictly within, and adhered to the terms, conditions, obligations, and provisions thereof, and not otherwise; and denies that there is any provision in the said contract or in any other contract between the answering defendant and the other defendants hereto, or in any understanding or arrangement, by which the answering defendant and the other defendants hereto agreed to keep secret information received through said Armstrong Bureau of Related Industries in the matter alleged in the bill of complaint, or in any other manner.

Further answering subdivision 2 of said Article V, the answering defendant alleges that said Armstrong Bureau of Related Industries has kept and preserved full, true, correct, and complete records of each, every, any, and all of their acts, and of all meetings held in pursuance of said contract, and also of all that has transpired at said meetings, and further alleges that a true and correct copy of said contract which was signed by the defendant manufacturers was forthwith, upon its execution, filed with the Department of Justice and the Federal Trade Commission, and due acknowledgment made thereof by the said departments.

The answering defendant expressly denies any oral agreements or understandings, or agreements of any kind relating to said business, that have not been and are not so recorded, all of which records this defendant hereby tenders and submits to the inspection of this court, but denies the right of the complainant to cite or quote isolated excerpts therefrom, thus distorting their true intent and meaning.

Further answering, the answering defendant admits that the statements contained in the subdivisions 3, 4, 5, and 6 of said Article V of the bill of complaint are a partial statement of some of the terms, conditions, and provisions of the contract attached to said bill of complaint as "Exhibit A" thereof, but denies that said contractual relations were intended to or did constitute or form any combination or conspiracy in whole or in part between the answering defendant and any of the other defendants or anyone else in restraint of interstate commerce, or were intended to or did suppress competition in prices or otherwise between the answering defendant and the other defendants named in said bill or any of them or anyone else, or were intended to or did enhance the prices at which linseed oil or any other commodity was to be sold, or were intended to or did retard the lowering of prices of linseed oil or of any other commodity.

Further answering subdivision 7 of said Article V, the answering defendant admits that certain zones were outlined for convenience in reporting, but alleges that the difference in prices in

the various zones represents only actual cash differences, to wit, the differences in the freight rates in the transportation of commodities from the shipping points to points within their
51 respective zones; and further alleges that the practice of dividing the United States into zones for the purpose of allocating freight rates has for many years been a common trade practice in other industries.

Further answering, the answering defendant alleges that the said zoning system as outlined was not binding upon it or upon any other defendant, and that there was no understanding or agreement, express or implied, that said zoning system should be retained, except for the purpose of uniformity in reporting, and that exceptions, alterations, or modification thereto could be made at any time, and as a matter of fact were made from time to time.

Further answering subdivision 7 of said Article V, the answering defendant denies that at the meeting of November 13, 1918, or at any other time, they agreed orally or in any other manner or discussed or established or sought to establish in any manner or form any so-called bases or any other price or prices for zone 1 or any other zone or locality.

Further answering, this answering defendant admits that the defendant manufacturers contracted with said "bureau," as alleged in subdivision 8 of said Article V, but denies that there was any oral agreement as therein so alleged or that said contractual relation was intended to or did constitute or form any combination or conspiracy, in whole or in part, among the defendants in restraint of interstate commerce in linseed oil produced by the defendant manufacturers in making sales of linseed oil in interstate commerce or to enhance prices at which such oil was to be sold or to retard the lowering of such prices.

Further answering, this answering defendant denies the allegation in subdivision 9 of said Article V and alleges that the follow-
52 ing is the true and correct action taken by the defendants by way of resolution adopted with respect to the matter of quoting "special prices":

"Resolved that it be the sense of the meeting that a practice of quoting special prices to preferred buyers by any subscribed who does not then extend similar advantages to his other customers is unfair merchandising and any revision in any subscriber's price list shall be made to at once obtain for his entire trade, and shall thus be immediately published by him."

Further answering said subdivision 9, the answering defendant alleges that such resolution had reference only to, and condemned, discrimination in price between different purchasers.

Further answering, this answering defendant admits that it contracted with said "bureau" as alleged in subdivision 10 of said Article V, but denies that said contractual relations were intended

to or did constitute or form any combination or conspiracy, in whole or in part, among the defendants in restraint of interstate commerce in linseed oil produced by it or to suppress competition in prices among the defendant manufacturers in making sales of linseed oil in interstate commerce, or to enhance prices at which such oil was to be sold, or to retard the lowering of such prices, and alleges that on the contrary such practice was intended to and did result in greater competition than had existed under the old practice of giving preferential prices to favored buyers.

Further answering, this answering defendant admits that it contracted with said "bureau" as alleged in subdivision 11 of Article V, but denies that said contractual relations were intended to or did constitute or form any combination or conspiracy, in whole or in part, among the defendants in restraint of interstate commerce in linseed oil produced by the defendant manufacturers, or to suppress competition in prices among the defendant manufacturers in
53 making sales of linseed oil in interstate commerce, or to enhance prices at which such oil was to be sold, or to retard the lowering of such prices.

Further answering, this answering defendant denies that orally or by proceedings at meetings of September 17, 1918, October 9, 1918, or November 16, 1918, or otherwise, it and the other defendants, or any of them, engaged in or entered into or upon a conspiracy in restraint of trade to suppress competition in prices among the manufacturing defendants herein in making sales of linseed oil in interstate commerce, or to enhance or to retard the lowering of prices of linseed oil, as alleged in subdivision 12 of Article V of the bill of complaint, and this defendant further denies that the minutes of said meetings are accurately and fully, in words or in substance, set forth in said division 12 of Article V of the bill of complaint.

Further answering, this answering defendant denies each and every allegation contained in subdivision 13, 14, and 15 of said Article V, and alleges that the statements therein made are incorrect, untrue, and contrary to the full and accurate information in regard thereto voluntarily furnished to the Department of Justice by the Armstrong Bureau of Related Industries.

V.

Further answering, this answering defendant denies all charges of every kind whatsoever, or insinuated in said bill of complaint, or otherwise, or unlawful combination or conspiracy for any of the purposes specified or alleged in said bill of complaint, but on the contrary alleges, as hereinbefore set forth, that all of the acts
54 and records in the matter have been open to all persons entitled thereto and to many others, more particularly to the United States Government and its departments and officials, and denies that

any of the acts and doings of this answering defendant, admitted or alleged to have been performed in pursuance of said contract, as hereinbefore set forth, have in any manner whatsover suppressed competition or enhanced prices or retarded the lowering of prices, but on the contrary alleges the fact to be, as hereinbefore set forth, disclosed, and alleged, that it has been and is the purpose and intent of this answering defendant and the other defendants to operate, and they have done so at all times, in such manner as would tend to prevent unfair and ruinous business practices and to promote fair and honest dealings among competitors, to the end that the laws of the States and the United States will at all times be obeyed and a great benefit result to the consuming public.

Further answering, this answering defendant denies that there is now, or was at any time, any obligation on the part of it or any of the defendant manufacturers to support or carry out any recommendation of the Armstrong Bureau of Related Industries, or of other defendant manufacturers which in any way would, or did, handicap or interfere with the independent action on the part of any of the defendants in reference to their business or the policies thereof.

VI.

Further answering, this answering defendant denies each and every allegation in Article VI of the bill of complaint.

55 Further answering, this defendant denies each, every, any, and all allegations of said bill of complaint not heretofore specifically admitted or otherwise answered, and prays that the said bill of complaint may be dismissed for want of equity and the defendant discharged and awarded its costs in manner and form as provided by the statute and the rules of this honorable court.

NATIONAL LEAD COMPANY,
By NANIS B. GREGG,
Vice President.

[SEAL.]
Attest:
CHARLES DANSON, *Secretary.*

MAYER, MEYER, AUSTRIAN & PLATT and
WILLIAM W. GREEN,
Solicitors for defendant, National Lead Company.

(Endorsed:) Filed Aug. 31, 1920. John H. R. Jamar, clerk.

56 And on, to wit, the 1st day of September, 1920, came the defendant, by its solicitors, and filed in the clerk's office of said court a certain answer in words and figures following, to wit:

57 In the District Court of the United States, Northern District of Illinois, Eastern Division.

UNITED STATES OF AMERICA, PLAINTIFF,
v.
AMERICAN LINSEED OIL COMPANY ET AL., DEFENDANTS.
No. 1490. In Equity.

Answer.

Now comes American Linseed Oil Company, by Gregory & McNab and Rounds, Hatch, Dillingham & Debevoise, its solicitors, and without waiving any rights, benefits, or advantages that said defendant may have, and saving and reserving unto itself the benefit of all exceptions to the manifold errors and imperfections in the bill of complaint filed in the above entitled cause, for its separate answer thereto or to such portion thereof as it is advised it is necessary and material for it to answer, says:

I.

The answering defendant denies each and every allegation in Article II of the bill of complaint.

II.

The answering defendant admits the allegations in Articles I and III of the bill of complaint.

III.

The answering defendant denies that it, in company with the other defendant companies, comprise nearly all of the most
58 important producers of linseed oil in the United States, as alleged in the first part of Article IV of the bill of complaint. It admits, as therein alleged, that the answering defendant has been engaged for a long time in purchasing flaxseed, in pressing or crushing the same into linseed oil cake and linseed oil, and in selling and shipping such products throughout the United States, particularly in selling and shipping and causing to be transported the linseed oil thus produced to manufacturers of paint, varnish, oil cloth, and linoleum throughout the United States.

Answering the second paragraph of said Article IV, the answering defendant admits that in or about the year 1916 said defendant sold linseed oil at wholesale prices ranging from 50 to 75¢ per gallon, but denies that the average price in and about said year of linseed oil amounted to 50¢ per gallon; but, on the contrary, said defendant alleges that the average price of linseed oil for said year amounted

to 75.8¢ per gallon, and for considerable periods in said year ranged as high as 96¢ per gallon.

Further answering said second paragraph, the answering defendant admits that during the war with Germany, until late in the month of September, 1918, the price of linseed oil increased to prices ranging in the neighborhood of $1.80 per gallon wholesale, but denies that such increase in price was caused by any combination or conspiracy, direct or indirect, amongst the defendants, and alleges that the cooperative activities of the defendant manufacturers and the activities of this defendant in connection therewith and with the Armstrong Bureau of Related Industries did not commence to function until late in September, 1918, and that at the time when such cooperative activities began to function the market price of
59 linseed oil was more than $1.80 per gallon and was in fact $1.90 per gallon; and further alleges that from the inception of the said activities the market price for said linseed oil continually declined until on or about March 5, 1919, when the market price of linseed oil at wholesale amounted to $1.45 per gallon.

Further answering the second paragraph of said Article IV, the answering defendant denies that it and the other defendants, or any of them, entered into any combination or conspiracy, or made any agreement, express or implied, orally or otherwise, to eliminate competition, whether between the answering defendant and the other defendants herein or between the answering defendant and anyone else, or, in fact, to eliminate competition in any way or manner; and further denies that it in any way suppressed or restricted competition, whether amongst the defendants or otherwise; and further denies that it conspired or agreed with the other defendants herein in any way to maintain prices; and further denies that it conspired or agreed with the other defendants herein to prevent or retard the reduction of prices to more reasonable levels.

IV.

The answering defendant denies each and every allegation in the first paragraph of Article V of the bill of complaint, and it specifically denies that in October, 1918, or continuously thereafter to the present time (June 30, 1920), or otherwise, the defendants engaged in a conspiracy amongst themselves in restraint of interstate commerce in linseed oil produced by the defendant manufacturers (a) to suppress competition in prices amongst the defendant manufacturers in making sales of linseed oil as aforesaid, (b) to
60 enhance the prices at which said oil was sold as aforesaid, and (c) to retard the lowering of such prices by means of a so-called "open price plan" or "open competition plan," or otherwise.

Further answering subdivision 1 of said Article V, the answering defendant admits that there was published and circulated a book of eighty-nine pages entitled "Intelligent Selfishness, a Business Builder," from which complainant has quoted a few lines and ex-

cerpts, but this answering defendant denies that said book or pamphlet was published by the defendant or by the Linseed Crushers' Industrial Council or by the authority of either.

Further answering subdivision 1 of said Article V, the answering defendant alleges that the statement referred to in the bill of complaint was submitted to and approved by it in company with the other defendants named in said bill of complaint, but alleges that complainant has only quoted a portion of the statement, which statement in full is as follows:

"A stabilized market is a public service market.

"Most buyers of linseed oil use that product in materials of which the oil is only a part.

"Such finished products must be manufactured and distributed well in advance of their purchase and use by the consumer—the public.

"The manufacturers of those finished products, in order to produce and merchandise them at a profit, should be afforded as stable a raw material market as the producers of such raw material can lawfully afford them.

"The manufacturers of linseed oil, members of the Linseed Crushers' Council, are working at all times towards a stabilized market for their product by their cooperative work through the service of the Armstrong Bureau of Related Industries.

"In addition to that public service, many features of mer-
61 chandizing which were against the best interests of the industry and the trade have been eliminated since the institution of their cooperative work.

"Users of linseed oil will receive a comprehensive explanation of the cooperative activities of this group of manufacturers by writing for the book, 'Intelligent Selfishness a Business Builder,' or a personal visit for the same purpose is cordially invited.

"Call or write Linseed Crushers' Industrial Council, directed by the Armstrong Bureau of Related Industries, 11 La Salle Street, South Chicago, Illinois."

Further answering subdivision 2 of said Article V, the answering defendant admits that it signed and delivered the contract, copy of which is attached to the bill of complaint as Exhibit A, and so alleges the fact to be, and that it has, from the time of entering into said contract, to the present time (June 30, 1920), acted strictly within and adhered to the terms, conditions, obligations, and provisions thereof, and not otherwise; and denies that there is any provision in the said contract or in any other contract between the answering defendant and the Armstrong Bureau of Related Industries by which the answering defendant and the other defendants hereto agreed to keep secret information received through said bureau in the manner alleged in the bill of complaint, or in any other manner.

Further answering subdivision 2 of said Article V, the answering defendant alleges that said Armstrong Bureau of Related Industries has kept and preserved full, true, correct, and complete records of each, every, any, and all of their acts, and of all meetings held in pursuance of said contract, and also of all that has transpired at said meetings, and further alleges that a true and correct copy
62 of said contract which was signed by the defendant manufacturers was forthwith, upon its execution, filed with the Department of Justice and the Federal Trade Commission, and due acknowledgment made thereof by the said departments.

The answering defendant expressly denies any oral agreements or understandings, or agreements of any kind relating to said business, that have not been and are not so recorded, all of which records this defendant hereby tenders and submits to the inspection of this court, but denies the right of the complainant to cite or quote isolated excerpts therefrom, thus distorting their true intent and meaning.

Further answering, the answering defendant admits that the statements contained in the subdivisions 3, 4, 5, and 6 of said Article V of the bill of complaint are a partial statement of some of the terms, conditions, and provisions of the contract attached to said bill of complaint as Exhibit A thereof, but denies that said contractual relations were intended to or did constitute or form any combination or conspiracy in whole or in part between the answering defendant and any of the other defendants or any one else in restraint of interstate commerce, or were intended to or did suppress competition in prices or otherwise between the answering defendant and the other defendants named in said bill, or any of them or any one else, or were intended to or did enhance the prices at which linseed oil or any other commodity was to be sold, or were intended to or did retard the lowering of prices of linseed oil or of any other commodity.

Further answering subdivision 7 of said Article V, the answering defendant admits that certain zones were outlined for conven-
63 ience in reporting the prices at which sales of linseed oil were made, but alleges that the differences in prices in the various zones represent only actual cash differences, to wit, the differences in the freight rates in the transportation of commodities from the shipping points to points within their respective zones; and further alleges that the practice of dividing the United States into zones for the purpose of allocating freight rates has for many years been a common trade practice in other industries.

Further answering, the answering defendant alleges that the said zoning system as outlined was not binding upon it or upon any other defendant, and that there was no understanding or agreement, express or implied, that said zoning system should be retained except for the purpose of uniformity in reporting, and that exceptions, alterations, or modifications thereto could be made at any time, and as a matter of fact were made from time to time; and the answering defendant denies that said zoning system as outlined was in-

tended to or did constitute or form any combinations or conspiracy in whole or in part among the defendants in restraint of interstate commerce in linseed oil produced by it to suppress competition in prices among the defendant manufacturers in making sales of linseed oil in interstate commerce, or to enhance the prices at which such oil was to be sold or to retard the lowering of such prices.

Further answering subdivision 7 of said Article V, the answering defendant denies that at the meeting of November 13, 1918, or at any other time, it agreed, orally or in any other manner, with the other defendants, or any of them, or discussed or established or sought to establish with the other defendants, or any of them,
64 in any manner or form, any so-called base or any other price or prices for zone 1, or any other zone or locality.

Further answering, this answering defendant admits that the defendant manufacturers contracted with said "bureau," as alleged in subdivision 8 of said Article V, but denies that there was any oral agreement as therein so alleged or that said contractual relation was intended to, or did, constitute or form any combination or conspiracy, in whole or in part, among the defendants in restraint of interstate commerce in linseed oil produced by the defendant manufacturers in making sales of linseed oil in interstate commerce, or to enhance prices at which such oil was to be sold, or to retard the lowering of such prices.

Further answering, this answering defendant denies the allegation in subdivision 9 of said Article V, and alleges that the following is the true and correct action taken by the defendants by way of resolution adopted with respect to the matter of quoting "special prices":

"Resolved that it be the sense of the meeting that a practice of quoting special prices to preferred buyers by any subscriber who does not then extend similar advantages to his other customers is unfair merchandising, and any revision in any subscriber's price list shall be made to at once obtain for his entire trade and shall thus be immediately published by him."

Further answering said subdivision 9, the answering defendant alleges that such resolution had reference only to, and condemned, discrimination in price between different purchasers.

Further answering, this answering defendant admits that it contracted with said "bureau" as alleged in subdivision 10 of
65 said Article V, but denies that said contractual relations were intended to, or did, constitute or form any combination or conspiracy in whole or in part among the defendants in restraint of interstate commerce in linseed oil produced by it, or to suppress competition in prices among the defendant manufacturers in making sales of linseed oil in interstate commerce, or to enhance prices at which such oil was to be sold, or to retard the lowering of such prices, and alleges that on the contrary such practice was intended to, and did, result in greater competition than had formerly existed.

Further answering, this answering defendant admits that it contracted with said "bureau," as alleged in subdivision 11 of Article V,

but denies that said contractual relations were intended to, or did constitute or form any combination or conspiracy, in whole or in part among the defendants in restraint of interstate commerce in linseed oil produced by the defendant manufacturers, or to suppress competition in prices among the defendant manufacturers in making sales of linseed oil in interstate commerce, or to enhance prices at which such oil was to be sold, or to retard the lowering of such prices.

Further answering, this answering defendant denies that orally or by the proceedings taken at meetings of the Linseed Crushers' Industrial Council held on September 17, 1918, October 9, 1918, or November 16, 1918, or otherwise, the defendants entered into or upon a conspiracy in restraint of trade to prevent competition in prices among the manufacturing defendants herein in making sales of linseed oil in interstate commerce either to enhance or retard the lowering of prices of linseed oil, as set forth in subdivision 12, Article V, of the bill of complaint.

66 Further answering, this answering defendant denies each and every allegation contained in subdivisions 13, 14, and 15 of Article V of the complaint.

V.

Further answering, the answering defendant denies each and every allegation in Article VI of the bill of complaint.

VI.

Further answering, the answering defendant alleges that the bill of complaint and all allegations therein, especially in so far as they relate to the price and prices of linseed oil at the times mentioned therein, wholly omits and fails to take into account the prices of the raw material from which the same is obtained, namely, flaxseed. The answering defendant alleges that throughout the periods covered by the bill of complaint, and especially from the period commencing in and throughout the year 1916 and ending with the date of the filing of this bill, the price of flaxseed increased from 4.37¢ per pound in January, 1916, to 6.35¢ per pound in June, 1920, and that the prices month by month during said period were as follows:

FLAXSEED.

[Prices, in dollars per bushel of 56 lbs., at Duluth.]

	1916	1917	1918	1919	1920
Jan. 18	$2.4525	$2.94	$3.4725	$3.38	$4.6
Feb. 18	2.3575	2.8175	3.7825	3.43	4.3
Mar. 18	2.28375	2.91	4.10	3.70	5.1
Apr. 18	2.10	3.24	2.945	3.87	4.8
May 18	1.9275	3.305	3.97	4.125	4.0
June 18	1.795	3.14	3.92	4.90	3.9
67 July 18	1.985	3.07	4.45	6.01	3.4
Aug. 18	2.13	3.30	4.40	5.68	.....
Sept. 18	2.06	3.40	4.14	4.40	.....
Oct. 18	2.55	3.0975	3.39	4.29	.....
Nov. 18	2.7125	3.11	3.825	4.50	.....
Dec. 18	2.855	3.2725	3.485	4.70	.....

The answering defendant alleges, moreover, that to obtain and manufacture one gallon of linseed oil requires the crushing of 22.4 pounds of flaxseed; and that the price of linseed oil accordingly follows very closely the price of flaxseed.

The answering defendant further alleges that the increases in price of linseed oil and the subsequent fluctuations in said prices bore a direct relationship to the increase in price of flaxseed and the fluctuations thereof; and the answering defendant denies that any combination, conspiracy, restraint of trade, agreement, or other device of any sort enhanced prices or in any way affected the fluctuations in the price of linseed oil.

The answering defendant denies specifically that any of these price fluctuations in either the raw material, the linseed oil, or the by-products was affected in any way by any of the activities set forth in the various paragraphs and allegations of the bill of complaint or by any agreement, understanding, contract, or operation of the answering defendant, whether in connection with the other
68 defendants named in said bill or with any one else.

VII.

Further answering, this answering defendant denies all charges of every kind whatsoever, or insinuated in said bill of complaint, or otherwise, of unlawful combination or conspiracy for any of the purposes specified or alleged in said bill of complaint, but, on the contrary, alleges, as hereinbefore set forth, that all of the acts and records in the matter have been open to all persons entitled thereto, and to many others, more particularly to the United States Government and its departments and officials, and denies that any of the acts and doings of this answering defendant, admitted or alleged to have been performed in pursuance of said contract or otherwise, as hereinbefore set forth, have in any manner whatsoever suppressed competition, or enhanced prices, or retarded the lowering of prices, or were intended so to do, and denies that the answering defendant by any agreement or arrangement whatever intended to or did form or engage in any combination or conspiracy with any of the other defendants or any one else in restraint of interstate commerce in linseed oil to suppress competition in prices amongst the defendant manufacturers in making sales of linseed oil or to enhance the prices at which such oil was sold or to retard the lowering of such prices, but, on the contrary, alleges the fact to be, as hereinbefore set forth, disclosed, and alleged, that it has been and is the purpose and
69–70 intent of this answering defendant and the other defendants to operate, and they have done so at all times, in such manner as would tend or promote fair and honest dealings among competitors to the end that the laws of the States and the United States should at all times be obeyed to the general advantage not only of the trade but of the consuming public as well.

Further answering, this answering defendant denies that there is now, or was at any time, any obligation on the part of it or any of the defendant manufacturers to support or carry out any recommendation of the Armstrong Bureau of Related Industries, or of other defendant manufacturers, which in any way would, or did, handicap or interfere with independent action on the part of any of the defendants in reference to their business or the policies thereof.

Further answering, this defendant denies each, every, any, and all allegations of said bill of complaint not heretofore specifically admitted or otherwise answered, and prays that the said bill of complaint may be dismissed for want of equity, and the defendant discharged and awarded its costs in manner and form as provided by the statute and the rules of this honorable court.

AMERICAN LINSEED COMPANY,
By W. A. JONES, *Secretary.*
ROUND & HATCH, DILLINGHAM & DEBEVOISE,
Solicitors for Answering Defendant.
Post-office address, 62 Cedar Street, New York City.
S. S. GREGORY.
GREGORY & MCNAB,
Solicitors for Answering Defendant.
Post-office address, 69 West Washington Street, Chicago, Illinois.

(Endorsed: Filed Sept. 1, 1920. John H. R. Jamar, clerk.)

71 And on, to wit, the 25th day of April, 1921, came the defendant, by its solicitor, and filed in the clerk's office of said court a certain answer, in words and figures following, to wit:

72–73 In the District Court of the United States, Northern District of Illinois, Eastern Division.

UNITED STATES OF AMERICA, PLAINTIFF,
v.
AMERICAN LINSEED OIL COMPANY ET AL., DEFENDANTS.
In equity.
No. 1490.

Answer.

Now comes Hirst & Begley Linseed Company, by Charles S. Reed, its solicitor, by leave of court first had and obtained, and at this time files answer into the bill of complaint heretofore filed herein by and with the consent of the National Lead Company, does hereby adopt said answer by the National Lead Company in each and every particular as its answer herein as fully and completely as if repeated.

HIRST & BEGLEY,
By J. W. HIRST.

CHARLES S. REED,
Solicitor for Hirst & Begley Linseed Company.

(Endorsed:) Filed Apr. 25, 1921. John H. R. Jamar, clerk.

74 And on, to-wit, the 3rd day of June, 1921, there was filed in the clerk's office of said court a certain motion in words and figures following, to-wit:

75 In the District Court of the United States for the Northern District of Illinois, Eastern Division.

UNITED STATES OF AMERICA,
State of Illinois, County of Cook, ss:

In the U. S. District Court, Northern District of Ills.

UNITED STATES OF AMERICA *vs.* AMERICAN LINSEED COMPANY ET. AL.	In equity. No. 1490.

Motion of William J. Matthews and Hugh T. Martin, as amici curiæ.

Now come William J. Matthews and Hugh T. Martin, each of Chicago, Illinois, and respectfully move the court to allow them to file a brief and argument in this cause as amici curiæ;

And the said William J. Matthews and Hugh T. Martin, as amici curiæ aforesaid, do respectfully ask the court to enter an order herein allowing the said brief and argument to be filed with this honorable court, and to allow complainant and defendants herein to file briefs in answer to or in elaboration thereof if they so desire.

WM. J. MATTHEWS.
HUGH T. MARTIN.

(Endorsed:) Filed Jun 3, 1921. John H. R. Jamar, clerk.

76 And on, to-wit, the 3rd day of November, 1921, there was filed in the clerk's office of said court a certain opinion in words and figures following, to-wit:

77 In the District Court of the United States for the Northern District of Illinois, Eastern Division.

UNITED STATES OF AMERICA, PLAINTIFF, *vs.* AMERICAN LINSEED OIL COMPANY, ET AL., DEFENDANTS.	In Equity. No. 1490.

Opinion.

78 Representing the Government: Mr. Henry S. Mitchell, Mr. C. Stanley Thompson, Mr. Charles F. Clyne.

Representing the defendants: Mr. John Walsh; Mr. L. A. Spiess; Eastman, White & Hawxhurst; Reed, Meals & Eichelberger; Rounds, Hatch, Dillingham & Debevoise; Lines, Spooner & Quarles; Alexander & Green.

79 In the District Court of the United States for the Northern District of Illinois, Eastern Division.

UNITED STATES OF AMERICA, PLAINTIFF,
vs.
AMERICAN LINSEED COMPANY ET AL., DEFENDANTS.
In Equity. No. 1490.

Opinion.

Carpenter, District Judge:

NOVEMBER 1, 1921.

In this case the United States, pursuant to the powers and duties imposed upon it by the Sherman Anti-Trust Act, challenged as a combination or conspiracy a contract between the defendants, linseed-oil crushers, and the Armstrong Bureau.

The defendant, Julian Armstrong, in October, 1918, organized the Linseed Oil Council and operated it as a member of the Armstrong Bureau. The purpose of the council and bureau was to collect and furnish to the various members current quotations on linseed oil, the record of sales of oil, including prices, statistics as to stocks on hand, crop conditions at home and abroad, and other information of interest or value to the manufacturers of linseed oil. The Armstrong Bureau entered into contracts with certain of the defendants and agreed to furnish them the foregoing information for a consideration.

80 Pursuant to these contracts the various subscribers daily reported their price lists to the bureau, and promptly sent word of any change. Other information was also furnished from time to time. The statements received and collected by the bureau were immediately sent out to all the members of the association.

The record discloses that the information collected and distributed by the bureau to its several members was of the kind which a sagacious business man secures, or endeavors to secure, in the operation of his enterprise. The information was true. The price lists furnished were made in the regular course of business, and offered in good faith to customers or prospective customers. There was no proof that the members of the association ever, at the bureau meetings or at any other place, discussed prices or made agreements with respect to prices, and there was no evidence that the prices asked by any of the subscribers were not in accordance with the market price of flaxseed, upon which the price of linseed oil was based.

Production was not limited during the period the bureau was in operation. There was no proof of division of territory. There was no proof that the prices asked by the individual defendants were not fixed by them upon their own judgment, considering all factors affecting supply and demand. There was no proof showing that any member was under the slightest obligation or constraint to ask higher prices or maintain prices.

The main argument for the United States is that the operation of the bureau tended towards a stabilization of uniformity of price on any given day, which was not due to competition, in accordance with economic law.

Many tables of statistics were offered in evidence and read
81 to the court, from which there appeared at times a striking similarity in price, and that changes in prices were made by substantially all the members coincidentally.

It appears further that the price of linseed oil is controlled by the price of flaxseed, and that the flaxseed market is an open one in which there are wide fluctuations as well as inactive periods.

The Government has not shown that there was artificial regulation of price, either by definite oral or written agreement or by tacit understanding.

Each individual crusher entering into a contract with the Armstrong Bureau specifically and expressly agreed that all information reported to the bureau or distributed by it should at all times be purely statistical and pertain only to past operations, and that the bureau should not be used to enable the constituent members to fix prices for the sale of linseed oil, cake, or meal; to limit the sale, production, or manufacture thereof or to divide the territory in which it was to be sold.

It is incumbent upon the Government to show by the clear preponderance of the evidence that the defendants conspired to restrain interstate commerce. In the absence of direct proof of actual entering into of such a combination, and in the face of the denial under oath of the defendants that any such conspiracy or combination was entered into or made, the Government must show that what the defendants did necessarily had the result of restraining trade, or, if it relies upon the circumstantial evidence to show that a conspiracy was actually entered into, it must show to the satisfaction of the court that the circumstances upon which reliance is placed are entirely inconsistent with supposition of innocence.

The question involved is whether an association, such as
82 the Armstrong Agency (sometimes called the open-price plan), is obnoxious to the antitrust laws, whether or not there is anything inherently wrong in an agreement between producers in a certain line to furnis each other their prices, and not to make any sale deviating from the price list without immediately notifying all the others.

Associations of merchants and manufacturers, boards of trade, and exchanges are of great antiquity. Evidently such associations were not aimed at by the Sherman Act, because they are not mentioned in the act. A distinction is sought to be drawn between the operations of an exchange and what was done by the defendants through the Armstrong Bureau. An exchange sends out reports of actual sales. The Armstrong Bureau gave out price lists. It is difficult to understand any ground for declaring one legal and the other illegal. Every producer or merchant desires to obtain for his

goods the highest price he can get. The price which he charges is always the highest which he believes the traffic will bear. He cannot charge ordinarily more than his competitors. His competitors' price fixes the point above which he cannot go. When the merchant fixes the price at the level of his competitors, he is fixing it in competition with his rival just as much as though he had named a lower price. The competition of his rival has prevented him from charging a higher price. If, on the other hand, he finds that he cannot move his goods at the price fixed by his competitors, he will naturally lower the price and this will establish a new level. This is the essence of what constitutes competition.

Quotations established by the sales on an exchange establish the market value at the time of the sale, but not the market value the day after. The prices at which goods are offered for sale at any moment establish the market value at that moment.

83 In those lines of merchandising where there are no exchanges the prices which producers and dealers put upon their goods constitute the market price. Cliquot's Champagne, 3 Wall. 114. In the trial of that case the judge charged the jury as follows:

"The market value of goods is the price at which the owner of the goods, or the producer, holds them for sale; the price at which they are freely offered in the market to all the world; such prices as dealers in the goods are willing to receive and purchasers are made to pay when the goods are bought and sold in the ordinary course of trade."

This charge was approved by the Supreme Court.

The above language was cited and approved by the Supreme Court in Muser v. Magone, 155 U. S. 240, at page 249.

If it is lawful for dealers to get together in an exchange and provide for a dissemination of the prices obtained on actual sales, why should it be unlawful for those producers and dealers in lines where no public exchange has been established to make some provision for disseminating information of market value or prices? To put it in another way, why should they be limited to the dissemination of the market prices of yesterday but not those of to-day.

In order to obtain efficiency in business, as well as in any other human activity, it is necessary to have reliable, immediate, and adequate records. With the progress that has been made in the last century it is not to be expected that business alone stood still.

In the old days when at noon the business men of the community met in the village blacksmith shop, or in the evening met at the corner grocery, a man was supposed to carry in his head all the facts in regard to his business and never to disclose them to a

84 competitor. Adequate systems of accounting had not been devised. Overhead as a cost element in operation was unheard of. Business was run by the rule of thumb. Such days have gone by. The commercial enterprise to-day which is not so managed that its head can at any time know how large is his stock, the volume

of his sales, the cost of his operation, and the amount of his profit and loss, sooner or later will be distanced by competitors.

It is because business is so much more complex, the volume so much greater, the margin of profit on single transactions so much less, that the merchants of to-day must have at instant command reliable and adequate information, immediately to be secured and more or less permanent in form. Business is no longer a game of chance, but a matter of scientific calculation.

A merchant cannot compete with another merchant unless he knows what he must compete against. A knowledge of what his competitor is charging is the first step in competition. It does not follow because one man knows the price which his competitor is asking, and he then fixes the same price, that his action is by agreement. If his competitor charges a high price, he naturally will ask the same price if he thinks he can get it. It is absurd to imagine that every merchant does not endeavor to keep posted on the prices asked by his competitor. If he fails to keep posted he will find himself losing money. If his prices are too high his customers leave him. If too low, he fails to reap the profit to which he is entitled. The Government cannot seriously contend that it is the duty of every merchant to guard against his competitor, finding out what he is charging. It would be an impossibility. Nor is it wrong for a merchant to endeavor to find out what his rivals are charging.

If he cannot get it directly and easily, he will necessarily get
85 it indirectly and at a great expense and slowly. He must know in order to conduct his business properly; nor does the public profit by the mistakes of a merchant charging too much on the one hand or too little on the other for want of such information. The mistakes would in all probability fall equally on either side.

Quick and accurate information of what his competitors are charging naturally leads to uniformity in prices. But because one merchant charges the same price that the other merchant charges because he finds that he can get it, does not necessarily indicate that there is any agreement between them to charge the same price. As the Supreme Court said, in the Steel Case, a uniformity in price does not prove a conspiracy.

What applies to sales for present delivery, applies equally to sales for future delivery.

Much has been made by counsel for the Government of the fact that prices of oil went up along with the price of flaxseed; that afterwards when flaxseed declined sharply, the price of oil did not come down at the same rate, but declined at a much slower pace. The court will take judicial knowledge that for the past several months a decline in prices has been going on. The Government has failed to show that the phenomenon of the price of oil declining at a slower rate than the price of flaxseed was not common in other lines, where the price of the raw materials has fallen. That the price of the finished product on a declining market will fall at a

slower rate than the price of the raw material is natural, and therefore expected. The price of the finished material, under conceded economic rules in the market where there is competition, will depend upon the supply and demand of the finished material. The drop in the price of the raw material does not affect the supply of
86 the finished material. Time must elapse before the supply of finished material is increased by the low prices of raw material and until the supply of finished material is increased, assuming that the demand remains constant, no decline in price may be expected. When the price of raw material starts to go up, less of the finished material will be produced, and stoppage or slowing up of the manufacture of the finished material will be at once reflected in an increased price.

The court should not construe the acts of the defendants to be illegal when it can, with equal facility, ascribe them to an innocent intention.

But it is charged by the Government that the defendants themselves claim that the effect of the bureau was to stabilize prices. That is to say, as a result of accurate and instant knowledge on the part of producers the price of linseed oil instead of varying sharply from day to day, as shown by the sales made, assumed an average price without deviations. If these deviations before had been the result of real competition, based on accurate knowledge by the producers of the real market conditions, then the Government is far from sustaining its contentions. The defendants, however, have shown, and their evidence is uncontradicted, that the deviations before existing were caused by the individual producers endeavoring to meet prices of their competitors which had never been made; and it is common in the trade for buyers to make false representations as to the prices made by other producers. Surely such a condition is not the one that the Sherman Act aims to foster.

The Government was greatly disturbed by a statement in the defendant Ferry's books that the Armstrong Bureau brought about a stabilized market. This expression seems to have been a great bugaboo. Counsel for plaintiff would have the court believe
87 that the term "stabilized market" means nothing other than uniform prices. Whatever the proper definition of the phrase, the record does not show that there was a stabilization or uniformity in prices.

The defendants contend and I agree that the term "stabilized market" means the obtaining and distributing of any accurate information that would enable crushers and buyers of linseed oil the better to understand the conditions of the flaxseed and oil market, to the end that the speculative hazards which formerly had worked injury to both seller and buyer would be minimized and eventually eliminated and the economic law of supply and demand be more intelligently put into operation.

Complaint is made against what is called the "zone system" and differentials applying thereto. It is true the prices quoted had refer-

ence to certain well-defined territory, and the prices were accompanied by differentials to equalize the cost of railroad transportation. The record shows that these differentials were adopted after a thorough and intelligent investigation of freight rates from the base point to point of delivery, and the addition to the base price in the different zones was arrived at after a fair averaging of those freight rates into the designated territory.

Zoning for the purpose of fixing rates is not new. The Interstate Commerce Commission permits it in regulating the charges to be made by railroads. It is not a perfect system, and there is always a certain amount of discrimination to those who live on or near the dividing line between zones, and I have no doubt a few buyers of oil may have been to some extent penalized, but every buyer had the option of purchasing f. o. b. point of manufacture or f. o. b. point of delivery, and I must assume that the buyer would choose that f. o. b. point which seemed the most to his advantage.

88 The charge of the Government that the zone differentials were adopted in order that the price charged for oil would be artificially enhanced and the defendant crushers consequently enriched is not borne out by the evidence. There was no zone in which all the crushers did business, and the bulk of the finished product sold by the defendants was for delivery in zones carrying minimum freight differentials.

Counsel for the Government seeks to draw an inference of guilt from the admission of defendants that the bureau allowed them to sleep nights. The only restraint which the rules of the bureau on their face impose is that the members agree not to deviate from their price lists without informing the other members at once by telegraph. At the close of each business day every member knew until the next day what the market was. It seems to me that the situation thus created is not dissimilar from that sustained by the United States Supreme Court in Chicago Board of Trade *v.* United States, 246 U. S. 231. It is very evident that the Supreme Court does not believe that the Sherman Act should prevent men from sleeping nights.

The Armstrong Bureau was organized solely for the purpose of furnishing information not only to the linseed oil crushers but to those interested in every other industry. It was a bureau of intelligence, and one which makes for real rather than artificial competition in trade. There was no restriction placed upon any member. He was free to buy from and sell to whomever he chose. The bureau operated solely as to past transactions, and wherever there is freedom of contract on the part of the constituent members there cannot be a violation of the Sherman Act.

89 The prosecution deep down evidently believes that an association of producers or merchants must necessarily be obnoxious to the Sherman Act, because it affords an opportunity for the members to conspire to restrain trade.

Where there is such an association it is perfectly natural for members to express themselves as to conditions and prices; in fact, that is what the association is formed for, and these expressions have been seized upon by counsel as evidence to show that a corrupt agreement was actually made.

To my mind some of these expressions are evidence that no such agreement was in fact made, if they are evidence of anything. It would be perfectly natural, among a meeting of oil men, for some one to say that he thought prices ought to be higher. The meaning conveyed by such an expression would be that the man was at a loss to understand why prices were not higher, taking into consideration the demand and supply and conditions of the trade. I might well say to-day that the weather ought to be cooler without laying myself open to the imputation that the temperature had been fixed by an agreement of mine.

Logic which assumes that because there is an opportunity to fix prices, therefore prices are fixed, is contrary to the genius and theory of our law. Every man is presumed to be innocent until he is proved to be guilty. If the Armstrong Bureau is to be dissolved merely because it afforded an opportunity for the members to fix prices, then this court, with equal propriety, could be asked to dissolve any lunch club where business men meet. This theory hardly warrants discussion, and I would not mention it had I not been gravely urged in this case, that such was the underlying thought of the prosecution. It is the ancient fallax—post hoc propter hoc.

The bill will be dismissed for want of equity.

(Endorsed: Filed Nov. 3, 1921. John H. R. Jamar, clerk.)

91 And afterwards on, to wit, the 3d day of December, 1921, this matter coming on to be heard, the following order was entered by the court:

92 STATE OF ILLINOIS,
County of Cook, ss:

In the District Court of the United States for the Northern District of Illinois, Eastern Division.

DECEMBER 3, 1921.

Present: Honorable George A. Carpenter, district judge.

UNITED STATES OF AMERICA, PLAINTIFF, *vs.* AMERICAN LINSEED COMPANY ET AL., DEFENDANTS.	In equity, No. 1490.

Decree.

This cause coming on to be heard upon the bill of complaint, and the respective answers of the defendants and evidence heard in open court, and argument of counsel, the court finds:

That all parties in interest have had due notice hereof; that it has jurisdiction of the parties and the subject matter, and finds the issues for the defendants, and each of them, and against the plaintiff; and that said bill should be dismissed for want of equity. And it is so hereby ordered, adjudged, and decreed that said bill be, and the same is hereby, dismissed for want of equity.

Enter.

CARPENTER,
Judge of the District Court of the United States.

3rd Dec., 1921.

93 And on, to wit, the 18th day of March, there was filed in the office of the clerk of said court a certain certificate of evidence, in words and figures following, to wit:

94 In the District Court of the United States, Northern District of Illinois, Eastern Division.

UNITED STATES OF AMERICA, PLAINTIFF, *v.* AMERICAN LINSEED COMPANY AND OTHERS, defendants.	In Equity. No. 1490.

Abstract of the evidence before the court.

Before Carpenter, district judge.

Appearances: For the United States, Henry S. Mitchell, special assistant to the Attorney General; C. Stanley Thompson, special assistant to the Attorney General; Charles F. Clyne, United States attorney for the Northern District of Illinois. For the defendants, John Walsh, L. A. Spiess, A. N. Eastman, solicitors for defendants Ankeney Linseed Mfg. Company, Archer-Daniels Linseed Company, Minnesota Linseed Oil Company, Northern Linseed Oil Company, Red Wing Linseed Oil Company, Toledo Seed & Oil Company, Mann Bros. Company, Julian Armstrong, Montague Ferry; Charles S. Reed, solicitor for defendants The Sherwin-Williams Company, National Lead Company, Hirst & Begley Linseed Company; Thomas M. Debevoise and Eugene Congleton, solicitors for American Linseed Oil Company; Willet M. Spooner, solicitor for William O. Goodrich Company.

95 APRIL 18, 1921.

Mr. REED. As your honor please, I learned for the first time today that Hirst & Begley are in default. Alexander & Green, through Mr. Pierson, of the firm, have looked after the making up of the issues in this case, and apparently the failure to file an answer on the part of Hirst & Begley is an oversight, and I would like leave of your honor during the progress of the trial to file the answer of that firm substantially as the National Lead Company answer, or

have the National Lead Company answer stand as the answer of Hirst & Begley.

Mr. MITCHELL. If your honor please, I will have to inform counsel that he is in error when he says that it was an oversight.

CARPENTER, J. Ordinarily I never foreclose a man when he is in default where there are ten or fifteen others on trial.

Mr. MITCHELL. I have been informed by the defendant that he did not desire to answer.

Mr. REED. Mr. Hirst has just stated to me that he desired to have the answer filed, and I wish to inform the court that I have been so informed.

Mr. MITCHELL. Your honor, I do not insist very much on taking a decree against that defendant. They did not answer, and the only thing was that they are one of the parties to this alleged combination and allowed the allegations of the bill to go undenied.

Mr. MITCHELL. The defendants under subpœna have produced the contracts which were entered into by the various
96 crushing companies with the Armstrong Bureau. I presume their authenticity and the signatures are admitted.

Mr. WALSH. The authenticity of the signatures is admitted. However, I will state to the court that there is no necessity of introducing all of these contracts. If counsel will introduce one, we will admit that the others are all like it.

Mr. MITCHELL. One of each series?

Mr. WALSH. Yes. There is no use of encumbering the record with 24 of those.

Mr. MITCHELL. The first series of contracts was made in September, 1918, between the various crushers and the bureau, and the next series was made in October, 1919. One of each of those will go into the record as the Government's exhibits.

(Specimen contracts of contracts entered into between defendant corporations and the Armstrong Bureau under dates, respectively, of Oct. 1, 1918, and Oct. 1, 1919, are marked "Plaintiff's Exhibits 1a and 1b.")

JAMES F. TERRY, witness for the United States. I am a special agent of the Bureau of Investigation of the Department of Justice. Last December I went to the offices of the Armstrong Bureau at 11 South La Salle Street, Chicago, for the purpose of making an examination of their records. I was given access to their records and checked up certain tables which had been prepared. I verified the accuracy of these tables by their records.

(Table of telegraphic reports of price changes is marked "Plaintiff's Exhibit 2.")

(Table of spot quotations is marked "Plaintiff's Exhibit 3.")

97 This table [plaintiff's Exhibit 3] sets forth all of the quotations filed with the bureau or price changes by the various subscribers which were submitted to my investigation. They are set out in table form, day by day, for spot shipment.

The table [plaintiff's Exhibit 3b] embodies the same information as the previous table. It covers spot quotations and is in a general way the information embodied in plaintiff's Exhibit 3, with continuing prices filled in by the Government for those days on which defendant crushers reported no quotations.

(Supplemental table of spot quotations is marked "Plaintiff's Exhibit 3b.")

Mr. MITCHELL. Your honor will see at the top of the page a list of numbers. They represent the numbers of the diffierent subscribers to the bureau, and then running down the left-hand side are the dates. Now, the first date given is October 1, 1918. That is when the bureau began operations. Your honor understands that, as the witness just explained, this table is made up by an examination of telegrams which were sent in and filed by the bureau subscribers showing their various changes in prices from day to day or week to week. Counsel has asked me to make a certain explanation. If your honor will take the first page [of plaintiff's Exhibit 3] and refer to December 1, you will find certain prices filed there and then no prices filed thereafter for December. Now, that means that no further prices were actually filed, but that those of December 1 remained in effect during the subsequent period until the next change is shown. In this Exhibit 3b I have filled in those dates in order to bring out the effect of uniformity prevailing throughout the months of December and other periods, because that effect is lost on this first table.

(Table of future quotations is marked "Plaintiff's Exhibit 4.")

98 (Map of freight zones is marked "Plaintiff's Exhibit 5.")

(Chart of comparison of flaxseed market prices, linseed oil prices, and linseed oil replacement costs is marked "Plaintiff's Exhibit 6.")

(Chart of linseed oil industry inactive market periods, October 1, 1918, to June 30, 1920, is marked "Plaintiff's Exhibit 7.")

(Report of Department of Commerce, Bureau of the Census, entitled "Animal and Vegetable Fats and Oils, Production, Consumption, Imports, Exports, and Stocks, 1919 and 1920," is marked "Plaintiff's Exhibit 8.")

(Table of number of gallons of linseed oil sold during the period of October 1, 1918–June 26, 1920, inclusive, as reported through the bureau, is marked "Plaintiff's Exhibit 9.")

I verified plaintiff's Exhibit 10, which is a bale of tape showing the computation of all the sales of all the subscribers as shown on Exhibit 9 during the year 1919, with the exclusion of subscribers 6 and 12.

(Tape showing computation of sales is marked "Plaintiff's Exhibit 10.")

(Market letters and pages from the records of the Armstrong Bureau are marked "Plaintiff's Exhibit 11.")

(Letters from the legal exception file of the Armstrong Bureau are marked "Plaintiff's Exhibit 12.")

(Book by defendant Montague Ferry, "Intelligent Selfishness, A Business Builder," is marked "Plaintiff's Exhibit 13.")

Mr. MITCHELL. I offer in evidence the various admissions of the answers, but especially paragraph two.

Cross-examination:

On inspecting and examining plantiff's Exhibit 3b, which indicates the price changes from October 1, 1918, to June 28, 1920, for
99 prompt delivery, I might say that on certain days there were no quotations. This Exhibit 3b is identical with the exhibit of the actual quotations, Exhibit 3, in that the missing dates are supplied here. It is really the same dates as in all the other quotation lists in evidence, with the addition of the missing dates. On the missing dates there were no quotations so far as I know.

WILLIAM HOCH, witness for the United States. I am manager of the paint and wall paper department of Sears, Roebuck & Company, and have been in that business about twenty years. I buy all the linseed oil for Sears, Roebuck & Company, and have been doing so for about twenty years. I buy from twelve to fifteen thousand barrels each year in Chicago, and generally from Hirst & Begley Linseed Oil Company. I heard of the formation of the Armstrong Bureau of Related Industries about October, 1918.

In buying oil I frequently get quotations from other sources than Hirst & Begley.

Q. Prior to the formation of the Armstrong Bureau in October, 1918, state what you observed with reference to uniformity or lack of uniformity in the prices of the producers in selling linseed oil or quoting linseed oil to you.

A. Well, there was a variation in prices from the different crushers at times of several cents a gallon.

Q. Several cents a gallon?

A. Yes, sir; prior to the organization of the Armstrong Company.

Q. At any given time do you mean that there would be various quotations?

A. Yes, sir.

Q. From different crushers?

A. Yes, sir.

100 Q. After the formation of the Armstrong Bureau in October, 1918, what did you observe in that connection?

A. Well, the prices were more stabilized at that time.

Q. What does that mean?

A. Well, they were more equalized by all of the different crushers. There were more of the same prices, same quotations by the different crushers. That stability or uniformity remained throughout the subsequent period while the bureau was in existence, but didn't affect me, because I had a working agreement all the time so that I was not affected by their prices in buying. I obtained quotations from the others that were merely handed to me; offered to me as an inducement to buy oil. Of course, these people did not know my

arrangement. I couldn't say just exactly how long these prices would remain the same. I couldn't say whether it was for a week or two weeks or a month, because I was not very much interested in those quotations. I have a working agreement with Hirst & Begley which includes the price of the flaxseed and the overhead expense and which also includes the working circumstances, etc., in making up the oil. Whenever I was in the market for linseed oil I would call up Mr. Hirst, of Hirst & Begley, and would ask him what the price of linseed oil was going to be. He would tell me the market price and I would ask him what the price would be to me. He would always figure a lower price to me on account of the quantities that I bought and, in addition, that I never buy spot oil but always buy in advance, so that he can keep his mills running all the time on my orders if he has not anything else to do, and in that way I buy my oil at a little bit cheaper than the market.

Mr. MITCHELL. I am not quite sure that I catch you. I understood you to say that there was greater uniformity in
101 prices among the various crushers after the formation of the bureau than before?

A. Yes, sir. After I buy the linseed oil I make most of it into paints and also sell some to our customers that want linseed oil. We make the paint here and sell it here in Chicago and in Philadelphia, Dallas, and Seattle, where we have branches. Where there is considerable competition naturally the market is lower. Speaking from my observation as a practical man in the linseed oil business, competition would have a tendency to lower the market price. When I buy linseed oil lower I can naturally sell my paint much lower, and I do so. I think that increases the volume of my business. Of course I have nothing to prove that, but it is the result of my observation as a practical man in the business for 20 years and is my best judgment on the subject.

CARPENTER, J. If every man was selling paint or oil at the same price you did he could sell accordingly the same amount of paint. How would that increase the business?

A. Well, the idea is this, Judge. If a man can buy his paint at $2 a gallon he is more apt to paint his house than when he has to pay $5 a gallon for it.

Painting is not a necessity. It is a luxury in most cases, and if the price of paint is up high there is not much painting done. That is my observation, and that is why I won't make a definite statement; but I think that is the tendency. A lower price of paint will naturally bring more business. When I have to charge high prices for my paint the effect is the opposite on the volume of business from that of low prices.

102 Cross-examination:

I have been getting my linseed oil from Hirst & Begley under a special arrangement since they started in business about fourteen or sixteen years ago. My testimony in reference to prices

generally for linseed oil is from my observation during that time. I cannot tell when these crushers ceased to operate or to be guided by the Armstrong Bureau. When I was talking about the prices of oil that were quoted to me, I was speaking entirely about future deliveries. I could not give the dates, the exact periods—that is, of the periods of uniformity, what I call uniformity or stability in prices—within the last year or two. It is a fact that there are certain periods, and have been during all the twenty years that I have been dealing in linseed oil, when there has been a uniformity in prices. I do not think that previous to the time that these crushers operated with the Armstrong Bureau these periods of uniformity existed more often than they did afterwards. It may be true, but I don't recall it in that way.

I first learned that I was to testify in this case in January or in the early part of February. I was asked the question at that time about a uniformity of prices in the market. I got quotations daily from the different crushers, both by postal cards and also by telephone and by personal calls. These postal quotations might possibly be in my department. I could not say, as I don't take care of those things. I did not look them up.

Q. Can you give me three crushers on any particular date, Mr. Hoch, that quoted you the same prices?

A. I can probably give you two.

They were the Midland—I could not give you the date—and Spencer-Kellogg. I cannot state approximately when or approximately the prices which they quoted.

103 Q. Your testimony is to the effect that the high price of linseed oil necessarily and consequently affects the price of paint which you sell?

A. Yes, sir. I think the highest price at which Sears, Roebuck & Company sold paint during the year 1919 was in the fall, when, if I am not mistaken, it was $2.88 a gallon. The same price prevailed in the spring of 1920 and continued until this fall or, I should say, until January. The price charged January 1 was $2.58. I fix the prices for the time being in my department. There was a great fluctuation in the price of linseed oil which I bought. My price for paint has remained substantially at $2.88 during the two years. I could not say that it never changed, as I would have to look up the catalog to prove it. We change our catalogs every six months, and when our price is made we do not change it for six months, and we usually do our purchasing for six months. That is how I buy for future delivery. I might have seen this table [defendants' Exhibit 1].

Q. I ask you, then, after looking at defendants' Exhibit 1 and recalling the period when these crushers were affiliated with the Armstrong Bureau whether that does not indicate that there were periods of greater uniformity of price or if those periods came oftener during those days as indicated on that table?

A. Yes; it seems there were periods there.

(Table, "Thirty years of linseed oil prices," including 1919, 1920, and part of 1921, is marked "Defendants' Exhibit 2.")

I do not get quotations from all the crushers. I couldn't tell you from whom I don't get them, because I do not know all the crushers, but I can tell you two crushers that furnish them. As I stated
104 before, they are Spencer-Kellogg and the Midland and Hirst & Begley. Those were the only three that quoted us prices. Occasionally a sales agent would come around and offer oil for sale. I don't know who they represented. I never made any effort to get other quotations, and I only bought oil from Hirst & Begley. The three I named are the only three that I got quotations from directly so as to know that the quotations came from those concerns.

F. J. HURTZ, witness for the United States. I am traffic manager and purchasing agent for Bradley & Vrooman, who are engaged in the business of paint and varnish manufacturers. We sell our products all over the country. I buy linseed oil for the company and have done so for, I should say, fifteen years. During that period I have bought from Spencer-Kellogg, American Linseed, Hirst & Begley, and Midland Linseed. I believe we have bought at times from some smaller crushers. I think we bought at one time from Goodrich, a crusher in Milwaukee. I buy approximately five thousand gallons a year, somewhere around there, a little more or a little less. I do not recall the exact time the Armstrong Bureau of Linseed Oil Crushers was formed, but I remember something about it. I heard of it. I bought oil before that time and after that time.

Q. State what you observed in buying linseed oil with reference to uniformity or lack of uniformity in the prices made by the crushers at any given time before the formation of the bureau and after that time.

A. Well, before—I don't know that I would want to make the statement that it was before or after the formation of the bureau, but quite some time before the date that has been mentioned here, the fall of 1918, probably in the spring of that year, there
105 seemed to be a variety of prices when we would ask for quotations. The next spring that variety seemed to be absent. The prices that you would ask and get from various crushers would be the same.

Q. Have you observed that condition and sameness of prices since that date down to about a year ago?

A. Well, it continued for quite some time. I have noticed recently that there seems to be a tendency to vary their prices.

I should say that condition continued during the year 1919 and maybe in the spring of 1920. We were not in the market to any extent in the spring of 1919 and I don't remember much about it. We were in the market quite often during the year 1919, and I observed that uniformity during that year. Since the spring of 1920 there seems to be a tendency to a variance in price. You do

not get the same price from everybody you ask a price from now. It is our practice to ask a price from four or five crushers when we are in the market. Up until recently that price has been the same, and recently there seems to be a little tendency to vary with some one or two. The price will be a cent up or a cent down. There is not a great deal of variation, but there is some. I do not recall that I got any variation during the year 1919.

Cross-examination:

I have been in business with my present people about eight years as purchasing agent and traffic manager. I have nothing whatever to do with how much linseed oil goes into a gallon of our paint, and I do not know anything about it definitely enough to state. I have been buying linseed oil for the company for probably five years. I know something about the price of paint. We put linseed oil in a great many kinds of paint, but chiefly in house paint. I do not know how much linseed oil goes into a gallon of that paint.

106 There is something between 85 and 90 per cent of linseed oil in a gallon of paint. We have been getting $4.15 a gallon for white paint until recently. Recently our price has declined to where we now get $3.25 per gallon. I am not quite sure, but I think the $4.15 price prevailed from the 29th of May, 1920, until some time in November of 1920. Before that the price was approximately $4 or $3.90.

I don't think the price of linseed oil ever affects the price of our paint. I don't remember who tole me about the Armstrong Bureau. We have salesmen in the office every day, and that is probably where I got it, but I do not know what they told me about it. I did not know and do not know now just how it operates. I didn't pay much attention to it then and I have not since.

Redirect examination:

In stating that the price of linseed oil did not determine or reflect the price of paint, I was speaking about the price which my own company makes for paint. We are a comparatively small company in the business, and in fixing our selling price follow the lead of the big companies, and that is what determines our selling price and not the price of linseed oil. I don't know anything about the policies of the big companies and can't say whether the price they fix is a reflection of the price of linseed oil or not.

CARPENTER, J. Then when you get information from any source that some of your large competitors have raised prices you raise yours?

A. Not always.

Q. Well, generally, if you can get it?

A. No; we have not in the past two or three years. We have

107 been very slow to follow. Eventually we have raised, because we are in no different position than they are. Our costs have gone up, but they have not gone up possibly as far as some of our competitors. We have not raised our prices as fast as some of them.

Q. But you make use of the information that you get of your competitors' prices?

A. Naturally.

Recross-examination:

When we notice a shrinkage in our gross profits we think that it is our time to raise prices. I ordinarily buy linseed oil from Hirst & Begley, Midland Linseed, and others. I have not bought from any of the others recently, but within two years think I have bought from the American, although I am not certain of it within the two-year period. I do not get daily quotations from all the crushers and do not know what the prices of all of them are. I sometimes do not get a list of quotations for two or three months.

Redirect examination:

There was a slight period, maybe two years or two and a half years ago, when there was a linseed oil shortage, and we bought a little stuff from Goodrich, but I don't know just when it was. I think we bought from Spencer-Kellogg in the fall of 1918 for delivery along in 1919.

Recross-examination:

To determine from whom we shall buy linseed oil we simply call up the various crushers and then when we get their prices we decide which one we want to buy from.

Q. Sometimes dicker over the telephone or otherwise with them?

A. Always on the telephone.

108 I do not tell one concern what prices I have gotten from the other concerns. I do not remember any linseed men coming in to see me. I do not tell them others' prices when I talk to them by telephone. I never tell then what prices have been bid. I do not always buy at the lowest price; very seldom. There may be other things besides price. As a matter of fact, price cuts very little ice with us. General liberality in making deliveries prompts me to buy from a crusher rather than the price. I don't think Mr. Hirst personally enters into the matter, but we feel that we are going to get deliveries from Hirst & Begley.

Q. How about terms of sale? Does that ever enter into consideration with you?

A. I think the terms of sale are pretty generally known. They are pretty much the same.

Q. All satisfactory?

A. Yes, sir.

Redirect examination:

Q. During the fall of 1918 and all through the year 1919 and down to the spring of 1920, when you would dicker with the various companies, as counsel expressed it, did you get any tendency on the part of any of them to cut prices or to meet lower prices than the prices you would get?

A. I don't recall any.

APRIL 19, 1921.

SOLOMON L. SULZBERGER, witness for the United States. I am president of the Enterprise Paint Manufacturing Company, doing business at the corner of Peoria and Van Buren Streets, Chicago. I have been in that business about twenty-seven years. We manufacture paint and sell it principally in the Middle West, some of
109 it in the East, in States outside of Illinois. I buy linseed oil and have done so for many years, and have bought from the American Linseed, Hirst & Begley, Goodrich, Midland, and Spencer-Kellogg. My purchases aggregate about 4,000 barrels a year.

I have learned of the formation of the Armstrong Bureau or the joining of the linseed crushers in that bureau some time in October, 1918, or about that time.

Q. Before that time, in buying linseed oil, I wish you would state whether or not you had been able to find competition in prices from the producers.

A. I had. If you want me to give my explanation of that I will say this: I was able to get prices from different people and I was able very often—almost every time I would be able to secure a different price from the one quoted. I would make an offer, and sometimes that offer would be accepted.

Q. You would find one crusher would quote one price and at the same time another crusher would quote another price?

A. Well, the prices, while they were not uniform, they were close.

I do not think there ever was more than a five-cent spread. It was usually about two or three cents. As a matter of fact, I do not think there has ever been more than a five-cent spread. Such a thing as a twenty-cent spread is unknown to me at least.

Q. After the formation of the bureau, or I will say after the month of October, 1918, what did you observe in buying linseed oil, as to spread and competition?

A. Well, it was a uniform price.

Q. Was that always true after that time?

A. Well, I presume it was true. I got tired of asking quota-
110 tions from the various concerns, because I knew there wasn't much use in it.

I tried asking for quotations for a short time, but I couldn't state for how long. It may have been at intervals. I cannot remember that I could ever get them to deviate from the prices quoted during that period. I have not been buying linseed oil very recently, possibly six or seven months ago, and I did not get any competition at that time.

I did observe a change with reference to the rules as to 48 hours' delivery during the period since 1918, and while this bureau was in operation. Before the Armstrong Bureau was in existence, when I would buy a thousand barrels of oil I could get them delivered in parcels in any quantity that I wanted. After this bureau had come into existence the rule went out that I had to take a carload of oil

inside of 48 hours to get the carload price, notwithstanding the fact that I had bought more than five or ten cars. This rule was lifted in only one instance.

Cross-examination:

That would place an unfair burden on me, as I have not the facilities for storing a carload at a time. We are not on a track, and in order to take a carload of oil conveniently one ought to be situated on a track. I was entitled to the carload rate because I bought a thousand barrels, and I am getting the carload price now. It did not cost more to deliver it to me in less than carload lots, because whether they send three truck loads in one day or send them in two it doesn't cost them any more, or if they send them a week later it doesn't cost them any more. They deliver the whole carload by truck loads. The storage facilities of the main that carries the oil for me are no greater disadvantage to him now than before the Armstrong law or the Armstrong interests.

111 I have bought oil from virtually every crusher who is represented in Chicago. When I am in the market I usually call up one or two of the oil people for quotations. I have one man in particular that I call up—that is, Mr. Hirst—and I have called up the representatives of Kellogg, of Goodrich, or of the Midland, but I have not done so recently, not since last July. The reason is because, I am sorry to say, I bought my oil last August, and I have not had any occasion except as a matter of curiosity to call anybody up on oil. Previous to last July whenever I was in the market I would call up the people that I intended to buy from. We get a postal card from Hirst & Begley every day, but that means nothing, because it is the retail price on it and not the carload price, the price at which we buy. Previous to last July I called up Hirst & Begley, Goodrich, Midland, and American; called them all up at one time or another. From October, 1918, to July of last year I bought from the American Linseed, Goodrich, Spencer-Kellogg, Midland Linseed, and Hirst & Begley. I bought from these particular persons or corporations some times to favor an agent that represented the concern and at other times because I got better deliveries from one than from the other.

Q. And that continued during the period of the Armstrong Bureau, did it not?

A. What continued? That I bought from different people?

Q. Yes; and the reasons why you bought from these different people. Did you always pay the same price to all of them?

A. Well, certainly didn't pay more to one than I did to another.

Q. Well, answer the question. Did you pay the same price to all of them?

112 A. If I bought at the same time; yes.

Q. But at different times?

A. If I bought at different times, the price of oil fluctuates and there is a difference. I may possibly have bought from two crushers on the same day, but can't recall it just exactly. I may have, and if

I did I paid the same price. I question whether my records would show whether I had bought from different crushers on the same day. We keep the contracts from the people when I buy the linseed oil, but I don't know whether we have the contracts that have expired. I did not know what I was to testify here to-day.

Q. You knew that you were to testify as to what prices prevailed during the period of the Armstrong Bureau, did you not?

A. Yes; and I know they were uniform whenever I asked. I don't need my records, as I have bought oil enough and long enough to know what I am talking about. I did not look up my records to see what prices I had paid for linseed oil during the period of operation of the Armstrong Bureau.

By uniform prices I mean the same prices. I don't know just when any of these crushers quoted the same prices at the same time, as in the last twenty-seven years I have called up thousands of times about prices. I could not answer as to when, during the operations of the Armstrong Bureau, any of these crushers quoted me the same prices at the same time. It was any time that I asked for them, but I can't state any definite time. I don't keep a record of my telephone conversations. The crushers who named the same prices were Hirst & Begley, Goodrich, Kellogg, and Midland. I never told a crusher that I could get linseed oil at a lower price unless it were true. I never did that unless it were true, and it has not been the case in a good many years. I did do that in the earlier years before this Armstrong Bureau.

113 Q. And when the Armstrong Bureau came into operation you could not misrepresent the price that was quoted you. Is not that true?

A. I did not do that at any other time. I don't know whether I could or whether I couldn't, because I never tried.

I did not write a letter to the Armstrong Bureau asking or calling attention to the vicious practice of having jobbers in the industry and asking if some measure could not be devised by which these jobbers could be eliminated. What I did do was this: About two years ago, when oil was pretty scarce, brokers and speculators were coming around offering oil, and I bought some of that, all below the market price. I wrote a letter at that time to the various trade papers stating that I thought it was a great injustice during that time when there was a scarcity of linseed oil that they should allow brokers to speculate in oil and in that way help to advance the price. At that time I received a letter from Mr. Armstrong because he saw my letter in the trade papers, and he invited me over to the bureau and agreed with some of the things that I said and did not agree with all of them. Mr. Armstrong invited me over to see the bureau, but I was never there.

I think I would be opposed to a very unsettled market in the linseed-oil industry. Violent fluctuations would be a serious menace to any dealer in oil such as I am. My present contract is a burden to me, because I have lost money on it. The reason for that is that

there has been a violent fluctuation in the price of oil. Not merely a fluctuation; it has been a general decrease.

114 Cross-examination by Mr. SPOONER:

Q. Can you not fix any more definitely the time when you made inquiries as to these prices, particularly from the Goodrich Company?

A. Well, I will tell you, the Goodrich Company has a representative here and he calls me up more than I call the representative and in that way the prices are quoted to me as a rule. Now, those prices are always the same prices that I get from other people.

Q. And you can not fix the time in your mind wherein you testified as to this so-called uniformity of prices quoted by Goodrich and others, can you?

A. I can only say this, that ever since the Armstrong Bureau has been in vogue there has never been a variation in price.

Q. You testify that there has never been a variation in price.

A. Not a variation in price since that time.

CARPENTER, *J.* That has been quoted to you?

A. As quoted to me; yes.

Cross-examination by Mr. REED:

We know when we buy oil that we are speculating. Any man who buys a thousand or two thousand barrels of oil which is to be consumed within the period of six months or three months to follow is speculating. We use our best judgment. It is not a question of the market fluctuating. You see, the market was pretty steady when I bought my oil last August and it has gone down very badly since. So the fluctuations in the market are not the things that cause me to buy. There are certain times when we have to prepare ourselves to establish the cost of our finished material into which the

115 oil goes. There are certain seasons of the year when we prepare ourselves for the coming three or six months. We use our best judgment, and that is the only answer I can give as to the time we select to buy. I think any linseed-oil buyer will substantiate my statement that during the past twenty years every man was a good buyer, because every time he bought oil it went up, and consequently we have no recollection of what happened at the time we bought. We only know that we made money by buying. That has been the history for the last twenty years, even during the reign of the Armstrong interests.

It is a fact that all through my experience there has been periods when the prices quoted by the different crushers would be substantially the same and that there would be other periods when the prices would vary some. It has been my experience, even during the Armstrong régime, that flaxseed or the price of oil would fluctuate; that at periods it would be more stable—that is, it would run along when there would be more of an equality as to price—and that there would be other periods when there would be a variation in price.

In buying oil I endeavor to get the best price and to get the best delivery. The question of delivery was of sufficient importance so that I might show a preference between two people of the same price, but I would not pay any more for that privilege. That accounts for the fact that I bought oil from the different members of this association.

During this period there were brokers going out and buying oil and speculating in it. That was against our business, and I think that it was against the interest of the purchasing public.

Q. It was a matter of importance to you and to those who purchased your product and who used the product of linseed oil that there should be eliminated this speculation?

116 A. It should be the natural supply and demand and not an artificial one.

Q. And that is what governed it all during your experience?

A. Yes, sir.

Q. The fact is that that is what governs the oil market even under the Armstrong Bureau?

A. Yes.

Q. So that, in your opinion, as a dealer and as a buyer in large quantities, the market for linseed oil even during the two years of the period of the Armstrong Association was controlled by the law of supply and demand?

A. To a large extent, I should judge.

Q. You never felt that there was any association to prevent you from buying oil at a fair price, did you?

A. No; I never thought so.

Cross-examination by Mr. CONGLETON:

I usually buy oil on six months' contract for equal deliveries each month, or something of that sort. During the operation of the contracts I am out of the market for the purpose of buying oil, but I am still sufficiently interested to know what the price of oil is, because we sell some oil, and we have to sell it at the market price. We are guided entirely each day by the price of oil when we quote a price on oil. We do not aim to get any more or any less than the crusher. Buying and selling oil is a part of my business, and in connection with it I keep myself fairly acquainted with prices and price ranges. I think that in 1918 the price was somewhere around $1.75, and that it went up as high as $2.25. I think that in 1919 the price was $1.50. I am speaking now of oil and cooperage. I

117 think I remember some oil bought in the fall of 1919 for $1.52 or $1.50, which went up as high as $1.75 or $1.80 in the spring of 1920. The price began to come down in July or June, 1920. It got down to about $1.12 in August, and it has kept continually coming down until the present time. I would not call it a violently fluctuating market, except the last six months. During this period I got some postal cards from the crushers every day, but they did not contain the carload price. I cannot tell you how often I got carload

prices, but I got them once a month and possibly more frequently. I would have no means of knowing if there was any spread or range in the various crushers' prices during the periods in which I did not ask for quotations. In selling my oil I attempt to follow the linseed market, but that is not always a good way, because I have seen flaxseed go up and oil come down and flaxseed go down and oil go up. The flaxseed market is a very feverish one. I cannot recollect any time during the period of the Armstrong Bureau when I thought the price of oil was out of proportion to flaxseed.

118 MERRITT ARTHUR RICHARDSON, witness for the United States.

I am president of the Inland White Lead Company, 741 Boston Avenue, which is in the liquid paint and white lead business. I have been in the business nineteen years and have bought linseed oil from the crushers during that period. Those I have bought from are Hirst & Begley, Midland Linseed, Spencer-Kellogg, American Linseed, and William Goodrich. My purchases approximate 2,500 to 3,000 barrels a year.

I learned of the formation of the Armstrong Bureau among the crushers some time in the month of October, 1918, or thereabouts.

Q. What has been your experience as to securing competition in price or in securing it prior to the formation of that bureau?

A. Well, it was always rather close; maybe a spread of 3 or 5 cents.

Q. You did find a spread?

A. Yes, sir.

Q. You mean that in buying oil at any given time you would get a spread in price as between the different crushers?

A. Yes, sir.

Q. Was that frequent or usual before the formation of the bureau?

A. Usually true.

Q. The bureau was formed in October, 1918. In the fall of 1918 and during the year 1919, what was your experience in getting competition in prices or in getting it?

A. No competition and no difference in prices; the same terms; the same everything.

Q. Did you try from time to time to get competition?

A. Well, I did for a time, and then I gave it up. I don't re-
119 member when I first secured different bids or prices again as between the crushers. I would say it was about August or September, 1920. I would get differing prices at that time and have been able to get different prices since.

I recall a visit in the summer of 1919 from William O. Goodrich, one of the defendants and the president of the William O. Goodrich Company, at my place of business in Chicago. I remarked to Mr. Goodrich with reference to the price of linseed oil and the Armstrong Bureau; I told him that the prices were very high and the terms were very severe and the deliveries were bad on account of the carload rule. I mentioned the Armstrong Bureau at that time. I told him I thought they were soaking us on prices and he said that it was a very

strong organization, and that we all ought to be satisfied, because we all buy at the same price, and that we could add it on to the price of the paint. Then I complained about the terms and told him I was hard up and asked him if he could not give me longer terms. He thought a while and said: "Well, I don't see why I could not renew those acceptances for another thirty days," and he did. He said that he wanted my business, and I told him that if he could help me out a little bit on a longer time, that I thought I could buy some oil from him, and I did. The rule with reference to requiring carload lots, to be taken within 48 hours, was strictly lived up to during the Armstrong Bureau, so far as my company was concerned. I had to do it; and while I had tankage for the oil it worked a hardship on my financial affairs. The rule did not obtain before the formation of the bureau, and I had been able to get longer term deliveries then as I wanted them.

The terms of payment were thirty days net, or one per cent ten days from date of invoice, and each invoice was accompanied
120 in the same block of paper with an acceptance on the bottom of it, and if you did not take advantage of the discount in ten days you were obliged to sign this acceptance or note, which had to be paid twenty days later. During the period of the bureau it was my experience that all the crushers enforced that same rule.

Cross-examination:

I don't recall exactly when I first heard of the use of trade acceptances outside of the oil business. I should say it was maybe two or three years ago. So far as my company is concerned I first heard of trade acceptances in connection with the Armstrong Bureau when that bureau started. It continued during the operations of the bureau, and all the crushers from whom I bought used them. I bought principally from the Midland and Hirst & Begley. I don't know whether the other companies from which I did not buy used them. The terms differed from those on which I had previously bought oil in that previously if we didn't pay our bills in thirty days they would give us longer time, sixty days or ninety days. Mr. Goodrich would give us an extension of time, but he took another note and got his interest on it. Previously we had not had to pay interest on our accounts. It is not customary in ordinary times to make the debtor pay interest on a past-due account. In years gone by the customary terms when I bought linseed oil were the same, thirty, one and ten, and these were generally satisfactory to the trade so far as I know.

I have some bills for oil here. I don't know whether they are during the period of the Armstrong Bureau or not. I have no bills for 1918.

I bought oil during 1919 and have some bills here at $1.47.
121 These purchases were from Hirst & Begley and the Midland Linseed, both the same price and both in April, 1919. The Hirst & Begley bill is April 10, 1919, and we took the oil as we wanted it on the contract. The Midland purchase was April 23, so that about a week elapsed between the time of the purchases. I did not look up

the bills which I have at my office before coming here to testify. I don't know whether the contracts for which I have the bills here were made before October, 1918. They may have been. I do not know what the prices were at the time of the operation of the Armstrong Bureau, and cannot give in any way the range of prices during that time. I recall, as near as my memory serves me, that the high market for flaxseed during the period of the operation of the Armstrong Bureau was $6.40. You bet that did have something to do with the rise in the price of linseed oil. Every time it went up, up went oil. The price of linseed oil usually follows the price of flaxseed on an up market. It does not follow so readily on a declining market. It does follow a declining flaxseed market. I would say that during the operation of the Armstrong Bureau the price of linseed oil was out of proposition to the price of flaxseed.

(Contracts for linseed oil are marked "Defendant's Exhibit 5 to 15," both inclusive.)

My costs were advancing during the period from October, 1918, until six months ago. We did not change the price of paint as frequently as the oil people did, as that makes it too unsettled for our customers. We try to make a price for paint for six months. That is why we buy oil ahead of time, and after we have gone out and bought it we know how much our paint costs us. I don't recall right now what the price of paint was in 1918. In 1919 the highest price was $3.55 for the white, and that continued from the 10th of March, 1920, up to about November, 1920. In 1919 I would say the price might have been 50 cents a gallon lower. The fluctuation in the
122 price of paint is a bad thing for our customers, because we can't change bills every time a man buys if they buy every week, as a lot of our customers do. We have regular prices for paint and don't give everybody a different price. I don't remember that the price of oil went up and down during the whole operation of the Armstrong Bureau. I mean that the price was uniform at the time one called up for prices; that they were all the same one day and that if I called up a week from then they were all the same that day. At the time I called up everybody quoted me the same price. I don't recall that if flax went up their price was higher.

Cross-examination by Mr. REED:

Nobody ever asked us for any trade acceptances except the linseed-oil men. Outside of that business, so far as I know, these trade acceptances were the exception rather than the general rule. I have no knowledge on the subject except in the linseed business.

Cross-examination by Mr. CONGLETON:

I was in the market for oil whenever I needed it, unless we had contracts. I generally bought oil on contracts. We only sell about five per cent of the oil that we buy. I could not say how often I was in the market for oil during the period between October, 1918, and July, 1920. The times when I called up the linseed crushers to find

out what their respective prices were were times when I was in the market for linseed oil. I do not know why we should call up if we did not want to buy. When I called up, I would call up all the five crushers that I have named.

123 (Copy of advertisement published by the Linseed Crushers Industrial Council of the Armstrong Bureau, in the Oil, Paint & Drug Reporter for March 29, 1920, is marked "Plaintiff's Exhibit 14."

Mr. MITCHELL. I also want to have considered in evidence the minutes—I am not speaking of your whole record—but the minutes of all the meetings. It will not be necessary, however, to copy all of these, and I will indicate to counsel any of them which I want copied for the purpose in addition to those which are already copied.

But I want to offer them in evidence so that we may refer to them—the minutes of all your meetings. I will let you know to-day. One other matter I want to speak about. That is, certain of these papers which we have called for out of their records are not original documents, but counsel have agreed with me that they will not object to them on the best evidence feature. Let them go in, although they are copies; of course, saving their exception as to pertinency, etc.

Mr. SPONNER. I doubt the advisability of introducing all the minutes, because it consists of hundreds and hundreds of pages, and only a very few of them are pertinent and we cannot tell what deductions might be drawn from them.

CARPENTER. J. Counsel for the Government has promised that he would indicate to you the very few pages that he actually wanted in, but out of an abundance of caution he offered them all. That is the way I understood it.

(Minutes of meetings held Sept. 17, Oct. 9, and Nov. 13, 1918, are marked "Plaintiff's Exhibit 16.")

124 APRIL 21, 1921.

(Table of zone No. 1, oil sales, taken from daily sales reports, is marked "Plaintiff's Exhibit 15.")

JOHN A. MANN, witness for defendants. I am president of Mann Brothers Company, of Buffalo, New York, manufacturers of linseed oil. I have been in the business forty years, but the concern was not always a corporation. My particular business is the direction of the manufacturing of linseed oil. Our present capacity is twenty-four presses, which means that if we were running full tilt we would crush twenty-four or twenty-five hundred bushels a day, which would be over thirty or forty thousand barrels of oil per annum. In producing oil the flaxseed is ground very much as wheat is ground and then it is run into what we call heaters or cookers and is steamed and heated or cooked to a certain necessary point. It is then turned out into molds and is placed in hydraulic presses and submitted to a

pressure of about thirty-five hundred pounds to the square inch, and the oil is pressed out under that pressure. This oil which is pressed out is raw oil and is not yet ready for the market. It is run into tanks and allowed to age for a while and then it is filtered. The aging allows it to settle and improve. After the oil is filtered it is ready for the market as pure raw linseed oil. Then, of course, we also make the boiled linseed oil, and refine oil for various purposes. For instance, if a man wants to make varnish he has to have the oil treated a special way. Raw and boiled oil are generally used with paint. The residue after pressing is oil cake, which is used for cattle feed, and which is disposed of in exactly the same way as any mill feed. It is either sacked or sold in bulk.

125 The linseed oil we sell is generally used for paint and for manufacturing linoleum and oilcloth and varnish, carriage tops and automobile tops, patent leather—there are almost all classes of service. I think perhaps the automobile has increased the use of linseed oil in recent years.

We market our linseed oil directly from our main office in Buffalo and through agents. The agents are purely agents, who sell the oil at the price we direct and get their commissions just like any other commission business. We, of course, try to base the price at which we or our agents sell the linseed oil on the cost of our raw material with a profit added, but we cannot always do that. We have to be governed by what somebody else is doing. Our big competitors usually force our prices. The first great consideration in fixing our price for oil is the cost to make it, which we figure out as nearly as we can. Then, of course, we try to get a higher price than that. That is legitimate business; but, as I say, we often times have to meet much lower prices than it has actually cost us. That is, I think, true of any business.

We get the flaxseed that we used in crushing our oil from the Canadian Northwest, our Northwest, and the Argentine Republic. The markets in which we buy are the Duluth and Winnipeg markets and through importers in New York. The Duluth and Winnipeg markets are just such a market as the wheat market in Chicago, and there is not anyone connected with the crushing business who in any way controls or is connected with the flaxseed market. That market is an open free market or board of trade where we send our brokers into the pit just as you do in any grain market.

Before we became acquainted with the Armstrong Bureau we could discover what the market was when we would offer lin-

126 seed oil to a buyer and he told us that he could buy at a lower price—if the buyer told us he could buy lower than our quotation we would have to accept that as the probable condition of the market. We market our oil east of Chicago, and we never go west of Chicago. Our agencies all over keep us posted as to the state of the market to a certain extent, but often we have to advise our agencies as we sometimes hear of things before they do. The agents telegraph us or write us that half a dozen of our competitors are nam-

ing such and such a price and inquire what they should do. If we want to meet the price we say yes; if we don't, we say no.

When we make our specific purchases of flaxseed we give orders to our broker or commission house at Duluth or Winnipeg. When we buy Argentine seed we write or telegraph to two or three export houses in New York to name us a price on five hundred or a thousand tons of seed, and they come back with an offer.

Besides finding out about competitors' prices through our agents generally, we find out about them in bucking up against the prices of others, as it does not take long to discover them then. If you have something to sell and somebody else has got something to sell, you very soon find out what the other fellow is going to sell at; and, of course, if you are going to sell, you have got to at least do as well. I think that is true of any commodity. The information that we receive from our representatives and from buyers in reference to the conditions in the market is not always reliable by any manner of means. That causes a wide fluctuation in markets.

The Armstrong Bureau had been in existence with the other crushers about a year before we had anything to do with it. Our primary motive for becoming affiliated with it was more accurate information as to market conditions.

127 Q. Just tell the court what you did and how you relayed information as to prices and received prices of your competitors through your affiliations with the Armstrong Bureau.

A. When we would make a sale of oil we would report that sale to the Armstrong Bureau; then the Armstrong Bureau——

CARPENTER, J. That is, any sale, large or small?

A. It didn't make any difference—large or small, we would report that to the Armstrong Bureau.

Q. How about quotations of prices?

A. Well, that would be a quotation. If we offered a man a carload of oil this morning, we would then advise the Armstrong Bureau that we had made such a price. The Armstrong Bureau then, in the course of its business, would notify all the other members of that bureau that the Mann Brothers Company were selling oil at that price that day, and the next day we might do the same thing again at a different price; and in the meantime somebody else, some one of our competitors, perhaps, had made a sale at a different price and reported it to the Armstrong Bureau, and the Armstrong Bureau would relay that information to us, as it did to everybody else, and we would know there was another competitive price; and we might meet that or we might cut it, or we might do anything. We were absolutely free in the matter of price making just as much as if we were not in the Armstrong Bureau.

When we made a price to a buyer we would wire it in to the Armstrong Bureau within two or three hours; and if our competitors kept their word, they were doing the same. If I made a price which was below the market price and reported it to the Armstrong Bureau, I could make any other price in five minutes if I wanted

to. If I went below what other competitors were quoting, I absolutely never felt under any obligation to maintain that price for any particular time. If someone reported a different price I would be governed entirely by our own business conditions. If we
128 were anxious to trade I would very likely make a lower price and sell and get all the business I could. If we were pretty well sold up I would pay no attention to it.

Q. If it had been reported to you that someone was quoting a lower price than you had received as information through the bureau, what would you do?

A. We would very likely wait until the next day to hear from the Armstrong bureau as to whether somebody had filed a lower price, or if we were very anxious we might telegraph to the Armstrong bureau that "we hear this price is in the market; has anybody reported such a price."

We often learned of our competitors' quotations before the Armstrong bureau could get it to us. In that event I would do exactly as I would do now when we are not in the Armstrong bureau. If we wanted business badly I would go out and go lower; if I did not, I would ignore it. I would regard the Armstrong bureau information as reliable and the other information that we pick up as sometimes reliable and very often unreliable.

I never gave any of the other crushers, and none of the other crushers ever gave me, any assurance that I or they would not sell linseed oil without further notice at less than prices which I or they had quoted. I never gave any of the other crushers any assurance of any kind, and none of the other crushers gave me any assurance that any of us would not encounter competition for the time being or any other time.

Prices in the flaxseed market were very high in 1919 because of shortage in supplies, tremendous demand, and other conditions. I don't recall that there was any slackening of demand at all in 1919. I don't recall whether it was early in 1919 or late in 1919, but at about that period we had excessively high prices for oil, brought about by shortage of supplies and enormous demand.

129 The certain periods of inactivity in the selling of oil, particularly spot oil, are brought about by the seasons. This time of year and the spring are the active periods, because it is perfectly obvious that in the painting season there is a large consumption of oil going on. Spot oil means delivery right away, and future delivery means delivery any time in the future that we agree upon. These two methods of sale and delivery of oil are in vogue generally in the linseed oil business, and the future business is the larger; but I could not give the percentage of how much larger it is. We would determine what price ought to be made for future deliveries of oil based on the current prices for future delivery in the seed market. If I sold a man to-day two carloads of spot oil and two carloads for future delivery, there might be a very decided difference in price. Spot oil might be very scarce, and spot seed might be very scarce

and the price correspondingly high. In two or three months, with a new crop anticipated, there hight be a lot of seed on the market and we would sell the oil for a much lower price based upon this future price for seed. I should say the price of oil has always been very responsive to the price of flaxseed. There might be an occasional exception, but that is the rule in the business.

We always had a zone system in our business. We are bound to have it, because the farther you get away from the plant to sell goods the higher is the cost to get them to the buyer, and consequently there must be an increase in price to cover that. That has always been our policy. The adoption of the zone system practically would not change our policy in reference to quoting
130 prices. We quoted a base price at the mill, and we would sell at that price anywhere in a certain territory within a certain mileage from the mill. We practically pay, or we allow, transportation charges on our sales. For instance, say I was quoting oil to a man to-day at 56 cents a gallon. From this we would allow a deduction of four cents a gallon toward payment of freight. It really means that we do pay it or allow it. Supposing the price of oil to-day at Buffalo to be 60 cents, if we were to sell that oil, say, in Nashville, Tennessee, the price would have to be much higher than that to cover the cost to get it there, or otherwise we would not touch the business.

Q. You would have to add the freight from Buffalo?

A. Otherwise we would not take the business. We would not want it.

The greatest amount of flaxseed oil in this country is sold in New York City. The greatest amount of it is crushed in Minneapolis, Buffalo, and New York. Sometimes conditions might be such that Minneapolis would crush more than Buffalo or New York, and then conditions might vary again so that New York would do the biggest crushing. I should say New York has the great market. The zones or the differentials that were adopted, practically, but not altogether, represent merely additions in freight. You must remember all the time that there are varying conditions in business. For instance, you might say we have always had a zoning system and that that zoning system was based on the Buffalo price with the freight added through a certain area of territory. We would always make the same prices in that area of territory, unless we were very anxious for business. There are times when we are very hungry for business and we forget about that difference in price and perhaps
131 let the man sell the oil for the Buffalo price at the destination. Again, if prices were firm and we were not anxious sellers we would not do that. It has usually been the practice for the crushers to quote a price to the buyers which included freight. We even sell f. o. b. Buffalo, but I couldn't tell what percentage is sold that way.

CARPENTER, J. Why do the crushers adopt this complicated zoning system, which involves a great deal of figuring, instead of having

a flat price and delivery to the crushers, and let the purchaser do this figuring?

A. Well, the buyer of oil always wants to know what the oil is going to cost him at his destination, at his point, and it is for the convenience of the business that the zoning or anything else of that kind is done.

CARPENTER, J. It is not difficult for the purchaser to find out the price of freight. We can get at the freight charges.

A. He is not so well posted on freight. He does not always know what the freight is going to be. He likes to know. The buyer says, "I want to know what my oil is going to cost me here at my railroad station."

It has practically been the system for buyers to buy f. o. b. their plants, but it is not a fixed practice. It would be altogether better for the crusher to have the buyer buy at his mill, and then if there should be any leakage in transit there would be no claim to go back on him, and he would be freed of all bother of looking into freight and things of that kind. It is manifestly much easier for me to sell my oil right at my mill door than it is five hundred miles or a thousand miles away. When I quoted a man at a long distance from Buffalo I, of course, had to consider the freight rates and had to go to the railroad agent and ask him what the rate was to that
132 certain point. I don't know as the zoning system affected that at all. No; you would not do that under the zoning system, because you would expect that price in the zone, and if you wanted to do any business you would have to meet it, whether you liked it or not. The differentials were adopted by the Armstrong Bureau before we were in it, but we had had substantially the same practice for years. We could change them at any time that we saw fit. I don't recall that we did; I don't think there was sufficient reason to.

There are fifty-six pounds of flaxseed in a bushel, and from a bushel of good seed we get two and a half gallons of seven and a half pounds each. There is no variation in quality of linseed oil, but there is a variation in the quality of seed. The buyer of linseed oil gets substantially the same article from everybody.

I never attended meetings of the crushers at the Armstrong Bureau. Either I or my son controlled the prices made by our plant. My son consults with me with reference to prices, and our prices were never at any time controlled or directed by anything other than my own judgment as to what they should be. I never attended any meeting with any of these crushers outside of the Armstrong Bureau.

Q. Did you ever discuss prices which——

A. Well, the word "ever" is a long time. Not in many years.

While my firm was connected with the Armstrong Bureau I never discussed the question of prices with my competitors or with the bureau and never in any way wrote to my competitors in reference to prices. I rely entirely upon the information which I received

through the bureau. I don't recall that there was any time
133 during the period in which I was affiliated with the Armstrong Bureau when I was unable to furnish my customers with oil or when any of my customers complained as to the prices which I charged.

During the years that I have been in the linseed-oil business the terms of sale upon which linseed oil has generally been sold in the market have been thirty days net or one off in ten days. Those have been our terms of sale for many years, in fact ever since we have been in the business. I don't think we have ever received trade acceptances more than two or three times since we have been in business. Then it was simply granting the buyer's request. It was the buyer's desire to put in the trade acceptance, because it wasn't convenient for him to pay in cash. To help him out we took his trade acceptance. I never felt any obligation to carry out any recommendations of the Armstrong Bureau or of the other crushers which would handicap or interfere with independent action on my part with reference to any matter of my business. There was never any arrangement or agreement or obligation on my part due to affiliation with the Armstrong Bureau to confine my business to any particular territory. We were perfectly free to sell anywhere we wanted on the face of the earth. There was never any suggestion hinted that we or anyone else in the industry should curtail production, or any intimation, arrangement, or agreement that there should be any lessening of competition at any time. There was not at any time any lessening of competition. The state of competition during the existence of the Armstrong Bureau was just the same as compared with the time previous to my affiliation with it. Along in 1918 there wasn't as much linseed oil produced, because we couldn't get the labor and the raw materials to produce it.

Mr. MITCHELL. May I suggest, your honor, that there is no charge of curtailment of production?

134 Cross-examination:

As a general rule our prices carrying the freight included would be higher farther away from Buffalo, and we had followed that system for a good many years in our business. The zoning system shown on plaintiff's Exhibit 5 was adopted through the Armstrong Bureau before we became a member. We had a copy of that map when we joined. Buffalo is in zone three. The line between zones two and three is just west of Buffalo. The differentials adopted in connection with the map established that zone two should be a certain number of cents higher than the base price of zone one, and zone three a certain number of cents higher, and that had been our system all along. I did not say previously that we always had based our prices on Buffalo as the basing point. I said sometimes, depending on how anxious we were for business, but as a rule of our business we would base on Buffalo, and get as much higher price to cover the freight as we could. Under this zoning plan the prices were based on zone one, which did not include

Buffalo, Buffalo being in zone three, but practically this was not a change from our former practice, because the price in the next zone would be higher than the zone we were in. Practically we did not change our practice when we adopted this system. It was practically our same system. You can't lay down a hard and fast rule in a business like ours. I would not say really that it was any change in our practice at all.

Q. Do you say it is the same whether you use Buffalo as a basing point or Chicago as a basing point? Do you say there is no difference between those two things?

A. We would not take Chicago as a basing point.

Q. You did not take zone one as a basing point, then?

A. Why, we—in that zone where you see it called zone one we would sell oil at a certain price, don't you see?

135 Q. I see that the regulations were that zone one should take a base price, zone two should take one cent higher, zone three——

A. Just what do you mean when you say zone one should take a base price, that the same price should prevail all over zone one?

Q. Throughout zone one, and that the price in zone two should be one cent higher and in zone two two cents higher, and Buffalo was in zone three, so that under this system your price at Buffalo would be three cents higher than your price at Chicago.

(No answer.)

Q. If you have any explanation of that, make it, please.

A. Why, we did not go—we didn't sell any oil at Chicago. Chicago is out of our natural territory. It was not practical for us to send oil to Chicago. We were too far away from it and the prices here were such that it was not to our interest to sell in Chicago, so that we never came here.

We sold in zone two and do sell in zone two now. My explanation is that we would meet competition in that zone to get business wherever it was, or even go lower. We did not altogether adhere to this plan.

136 George F. O'Neill, witness for defendants. I am president of the O'Neill Oil & Paint Company, of Milwaukee, Wisconsin. The company is engaged in the business of manufacturing paints and jobbing linseed oil, turpentine, gasoline, etc. I purchase a large amount of linseed oil in my business, and have been doing so personally for over twenty-five years. For several years I have made notations of quotations of linseed oil made by different crushers to my company. Quotations are made to me by the agents of the different companies or directly by telephone from the local companies. Our jobbing department buys approximately three thousand barrels of oil a year and our paint factory about one thousand barrels. I have indications of quotations with me on paper. As quotations came in to me I entered them in a list and kept them from time to time for reference. I have done that for a number of years. As they got too bulky I destroyed the older ones, and these are later

ones, which I have always kept right up to date. They begin on June 3, 1919, and extend up to date. I would not say they are absolutely complete records of quotations received by me from time to time, but they are such a record as came to me personally. I made these notations as the quotations came to me, and they are in my own handwriting.

(Record of quotations is marked "Defendants' Exhibit 1.")

Goodrich on the memorandum of quotations means William O. Goodrich Company. Steitz means the Milwaukee agent of the Archer-Daniels Company; Kellogg means Spencer-Kellogg & Sons, of Buffalo; and Schmidt means the Milwaukee representative of the Midland Linseed Company.

Q. I will ask you to refer to the date of the 17th of June, 1919, and ask you what notation you have indicated there.

137 A. The 17th day of June, 1919?

A. We had a quotation from the William O. Goodrich Company for June delivery, of 1.87; July delivery, of 1.83; and August and September delivery, of 1.83. On the same date we had a quotation from Spietz, who is the agent for the Archer-Daniels Company for June delivery, 1.81; for July delivery, $1.81; and August and September deliveries, $1.78.

On the same date, June 17th, the quotation from Kellogg for June delivery was 1.86; July delivery, 1.86; and no quotation for later deliveries.

Q. Then, as I understand it, what you hold in your hand is a memorandum from which you can testify as to the different quotations which you received from the crushers during the period which it covers?

A. Yes, sir.

Q. I want to ask you this: What does it show generally as to competition?

A. Why, it shows a difference in prices from the different ones on the same date in a great many instances, and in some instances the difference is much greater than others. In some instances there is probably no difference.

Q. Did that condition prevail all the time from October, 1918, up to the last of June, 1920?

A. I should say it did; yes, sir.

My recollection is that there was a difference in the different quotations for linseed oil after October, 1918, just the same as before that date. Previous to the institution of the Armstrong Bureau in 1918, when we wanted to buy we took the prices and bought wherever we could buy cheaper. I determined when I wanted to buy from records like these that I kept and by keeping track of the linseed

138 market, of the demand, and by using my own judgment as to when it was a desirable time to buy. So far as I can recollect, there was not at any time a failure to have a competitive market in which to buy.

The name of Colbin on this memorandum means the Milwaukee representative of the American Linseed Company. On this memorandum, if we, for instance, were looking here in the month of February, quotations for February would be spot oil, and for March, April, and June would be future oil. I got these quotations from agents that came into our office and quoted prices verbally to me, which I jotted down in my record, and which I got over the telephone. During the years 1919 and 1920 the competition in our business has been as great as at any other time—that is, competition on the part of the crushers to get our business—and I don't personally know when the Armstrong Bureau went into effect or when it ended. The crushers sometimes call me up to ascertain what prices other crushers have made. When in the market to buy linseed oil we would ask the different crushers for their prices, and if the one we desired to buy from was higher we might tell him he was too high and give him a chance to revise his price, and then we would buy from the one that had the lowest price and the best delivery and the goods we wanted.

Cross-examination:

When I stated to one of the crushers that I had gotten a lower price from another I would tell the truth; it was not my habit to misrepresent that fact.

139 SAMUEL MAIRS, witness for defendants: I live in St. Paul, Minnesota; am a manufacturer of linseed oil and am connected with the Archer-Daniels Linseed Company and with the Toledo Seed & Oil Company, which is a subsidiary of the Archer-Daniels Company. These companies between them have a crushing capacity of between four and five millions bushels, which would be about eighty to one hundred thousand barrels of oil. I am secretary of both companies. My companies became affiliated with the Armstrong Bureau in 1918, but I don't know the exact date; that would be given by the contract with the Armstrong Bureau. We joined the Armstrong Bureau in order to get market quotations, which we felt would be reliable, and to get any other advantages which the Armstrong Bureau could bring through the intelligent marketing of the linseed oil.

Q. What other advantage could it bring to you other than accurate market information?

A. Well, I should think that would cover the—the Archer-Daniels Company keeps a representative on the board of trade at Minneapolis, and we buy flaxseed on the grain exchange. A great many times during the morning the representative calls up and gives us the price of flaxseed, which we use as the basis on which we figure our linseed oil costs. The elements entering into the determination of the price of linseed oil are the working costs and what we think we can get for the cake or meal at the time it is manufactured, depending upon whether it is a spot market in which we are selling the oil or a future market in which we are selling the cake. The

cost of flaxseed and the working costs are elements entering into the consideration.

For the marketing of our product we have agents in different parts of the country, and we get inquiries direct by wire, asking if we are in the market for so much oil, either spot or for future
140 delivery. We then get the market price on the flaxseed, figure out what the cost is, and make our quotations. The agents through whom we sell get a commission. We also sell direct to jobbers. If our agents sell the oil we handle it through them or ship it direct. If an agent in New York, say, should sell a customer, that would be as far as he was concerned in it. He would get his commission and we would invoice direct to the customer.

As to the information which we gave the Armstrong Bureau, when we would quote a price on linseed oil we would report that price to the bureau within two or three hours after the time we had made the quotation. It was not necessary to wait that long. Sometimes we did and sometimes we didn't. As long as we made sales on the basis quoted we did not make any further report to the Armstrong Bureau, except a daily report of the sales made by letter. We first reported our price at which we had quoted linseed oil, and then we reported by letter the amount that was sold. Tabulations were made by the bureau and sent out as information to each crusher. We never reported prices which we were about to make or intended to make. We reported prices we had made. We got from the bureau reports of the prices that other crushers had made and by letter of their sales. In other words, we got exactly the same information which we furnished the bureau.

We used the information we received through the Armstrong Bureau for market information. It gave us something which we could rely on—information which we were pretty sure was correct. We could rely upon it as market information as to what the price of linseed oil was at the time we got that information or as to what it had been. Of course, somebody might have changed their prices. There were times when we had information as to changes of prices by our competitors before we got the information from the Armstrong Bureau.

141 Q. Would that sometimes conflict with the reports of the Armstrong Bureau?

A. A great many times. We would get wires from New York or Cincinnati saying that other prices were lower than ours and wanting to know if we would meet the competition. A little later we did not get any word from the Armstrong Bureau that the prices had changed any, and we would feel certain that somebody was giving wrong information to our agents there.

Our company never gave anybody assurances that we would maintain a price for any time being or for any other time. We never had any arrangement or agreement or any obligation upon our part to maintain any particular price for any length of time. None of the other manufacturers ever gave us any such assurance that they

would maintain any particular price for any particular time or that they would make any different or other price at any time.

The quotations which we received from the bureau sometimes might show that prices had declined or had advanced.

Q. How did that affect your prices already filed with the bureau?

A. That depended upon whether we felt we could buy the seed and make a profit, or whether we were sold up and we couldn't sell any more linseed oil whether we would change our price to conform with that price or not.

Q. Were you at any time under any obligation to follow any prices that were filed?

A. Never; no.

Q. Were you ever under any obligation in any way to follow anybody else's prices at any time?

A. No, sir.

Q. Did a leadership in the market at any time affect your judgment as to what the prices should be?

A. No, sir.

142 I attended two of the meetings of the Armstrong Bureau. There was not, to my knowledge, any discussion at those meetings, formally or informally, as to what the prices of any of the crushers would be or as to what prices they should make or would make in the future. None of the members of the Armstrong Bureau ever criticized me in any way for any price I had ever made, or tried to embarrass me or impose any penalty upon me for making any price I saw fit at any time or in any zone. Our sales extend all over the United States, and we never had any arrangement of any kind that would confine our sales to any particular territory or zone.

Q. Was there any arrangement of any kind, express, implied, or otherwise, that competition was to be eliminated between any of the crushers?

A. No, sir.

I think I recollect that the price of linseed oil went very high in 1919. I can not say offhand as to whether there was any lessening in the demand for linseed oil at that time. We could sell all of the oil which we had on hand at that time. We practically sell all the oil we have now. We don't buy the flaxseed until we have all the oil sold. We buy the flaxseed a little ahead of our sales. We don't aim to speculate on the flaxseed market, but we buy the flaxseed as near as we can at the time we sell our oil. If we sell a thousand barrels of oil, which we figure would take about twenty thousand bushels, we go out and buy twenty thousand bushels of seed to take care of it. The only end we have to speculate upon, then, is the rise and fall of the cake market. We have to base our calculations upon what we think we can get for the cake when the oil from that seed is manufactured. If we sell spot oil we try to buy spot seed,

143 unless we have a good, big stock, and then we buy future seed.

If we sell future oil, we would naturally base our quotations on future options, which would eventually be traded for case seed or take delivery for future options. We also buy seed in the Argentine, some c. i. f. in New York, and f. o. b. in Argentine.

I don't know that I can explain this zone system, but I will try to. We have mills in Minneapolis and Toledo and in Buffalo. We call Minneapolis our zone one, and make that our base, because we figure that the Minneapolis market is the best for the raw material and that we are manufacturing at our cheapest where we can buy the flaxseed. Those conditions changed at different times. Sometimes the Argentine market became the cheapest, and then we would change our base to zone three, which is in Buffalo. If we had to move the seed from Duluth to Toledo, there would be a freight charge in there, and we figured we couldn't manufacture as cheap in Toledo as we could in Minneapolis. The zone system was established, as I understand, so as to make an easier way of reporting sales to the Armstrong Bureau and so one would get intelligent information from the bureau. If the freight was higher to a certain point, or if a man wished to pay f. o. b., we would be very glad to sell him f. o. b., no matter what zone he lived in. The differentials adopted were based as near as possible on the freights.

Q. After the adoption of the zone system, did it make any difference in the matter of your quotations in the different portions of the United States, so far as zones were concerned? Did it make any difference in your quotations as to the prices you charged in the different portions of the United States?

144 A. No, sir.

Q. Why didn't it?

A. Because we made our basic price in Minneapolis; then we would use that base to add on the difference in the zone prices.

Q. What do you understand to be a stabilized market?

A. I understand a stabilized market is a market where the demand for linseed oil would not exceed the supply of flaxseed.

Q. How is a stabilized market brought about in the linseed-oil industry? Do you know whether it has ever been brought about?

A. No; I don't know that it has been brought about, except—well, a stabilized market—if there is any bigger demand for the oil than for the flaxseed it would tend to keep the market about on the same level.

Q. If you have accurate information of all the conditions in the industry, the consumption of oil in different portions, the price of the flaxseed, and the conditions of the flax crop, if everyone has that information, does that have a tendency to stabilize the market?

A. I should judge it would; yes.

The terms of sale under which the crushers have sold their products have generally been one per cent off in ten days, thirty days net. That has existed ever since I can remember. It was at one time recommended, while the crushers were connected with the Armstrong Bureau, to put on a trade acceptance, to sell ten days one per

cent off or thirty days net trade acceptances. I should say we inaugurated the system, but if anybody objected to the signing of a trade acceptance we would not force it in any way. At the present time we are having trade acceptances attached to all our invoices. If people will sign them we like it that much better, because we can bank those trade acceptances, where we cannot if it is on a open account.

145 Going back to the zone differentials, the purchaser is at liberty to pay the freight on shipments of linseed oil if he sees fit.

Q. Where you sell to a man, for instance, in zone six, who is immediately beyond the line of zone six, what arrangement do you make with him?

A. We would sell to him at our zone one price, any price that would be cheaper to him.

Q. But at any rate, as I understand, the buyer has the option as to whether he shall pay the freight or whether you shall pay the freight?

A. Yes, sir.

The letters introduced by the Government wherein crushers have asked the bureau to bulletin subscribers as to whether or not certain subscribers have quoted prices less than their filed prices, have been sent because we wanted to know whether the quotations were being made underneath the filed prices or whether they were not. We probably got the information in the first instance that there were quotations below the filed prices through some of our agents advising us of it. I suppose the agents would get it from buyers. These inquiries and requests for bulletining the competitors were for the purpose of checking up the accuracy of the information which our buyers had given to us and to check up and see how accurate our market information was. The information given by buyers as to prices quoted by our competitors is often very inaccurate and it is not to be relied upon. It depends upon who the buyer is and what the representation is. I imagine the buyers by doing this think that they can get one to cut his own price or make a lower price.

Q. Has that deception and misrepresentation as to prices resulted at times in your cutting of prices?

147 A. It all depends on the flaxseed market and what conditions are; it might.

Q. It may influence you and it may not?

A. Yes, sir.

The other crushers in Minneapolis are the American, the Northern, the Minnesota, Spencer-Kellogg, the Midland, and ourselves—six mills. It is problematical whether the greatest amount of crushing in this country is done in Minneapolis. As Mr. Mann testified, it depends upon the crops in the Northwest and upon the market whether the eastern market with the Argentine seed is the cheapest, and upon the size of the crop grown the preceding year in the West. We have had very poor crops in the West. I imagine there has been

more seed crushed in the East than in Minneapolis. The seed crushed in the East comes very largely from the Argentine. As I said before, when a large amount of seed was crushed in the East we changed our base. If the Argentine seed was cheaper that would mean the Buffalo mill would be the cheapest point, and we then computed our freight rates from Buffalo.

There was nothing secret about this exchange of information so far as we were concerned. We just threw the bulletins from the Armstrong Bureau around the office for general information. We told our agents about our affiliation with the Armstrong Bureau, and they were at liberty to tell the trade if they wanted to. The crushers, through the bureau, caused advertisements to be put out that they were connected with the bureau

Q. Are you operating any differently now than you did when you were connected with the Armstrong Bureau? I mean in fixing your prices or in the way of marketing your goods or in the way you ship your goods or in the prices that you charge?

147 A. No, sir.

Q. Is there any difference?

A. No, sir; none that I know of.

Q. Then, as I understand, the sole purpose of the Armstrong Bureau arrangement was to get accurate information.

A. That was the main purpose.

Q. Did you get anything else other than that?

A. No, sir.

Q. Did anybody connected with this bureau or competitors in any way criticize you for any price you ever made to anyone?

A. No; not that I know of.

Q. Would they have a right to under any arrangements which you had with the bureau or with them?

A. No. We were at liberty to make our own prices. The fact that the Midland Company and the Spencer-Kellogg Company resigned from the bureau did not in any way affect the way in which our prices were made.

Cross-examination:

When I answered counsel's question as to whether the sole purpose I had in joining the bureau was to secure market information by saying that that was our main purpose I had in mind the difference between the prices which we got from agencies. We used at times to quote agencies a price which was the same as a carload price, which was a dead loss to the people who carried the agency. We wanted to avoid that. The carload buyer was not getting as good a deal as the man who bought in small lots. We didn't join the bureau to stabilize prices. We didn't have any interest in securing that result through the bureau, because we could change our prices any time we wanted to. I don't know whether stabilization of prices had anything to do with our interest in the bureau; it might have

148 had. The stabilization of prices would help us in a way,

would keep us from cutting our own prices. It was a good bureau of information.

CARPENTER, J. Did the organization of the bureau result in the stabilization of prices which you didn't have before?

A. Well, I should say it did.

What we reported to the bureau with reference to our prices was a change in the prices when it had actually been made. We usually made these reports within two or three hours after the change. We did not always wait that long. The period within which we notified the bureau might have been all the way from fifteen minutes to six hours. I cannot recall what it usually was.

I helped to make our company's prices. We would talk over conditions as to whether we wanted to change our prices or not, and when we had decided to do so we would make quotations, would change our prices and then wire the bureau that we had done so. That information might not have gotten out promptly. It might have been delayed, but our aim was to send it out promptly. By changing our prices I mean that we would send telegrams to our agents and to any other people who were inquiring for oil. At the same time we would tell the girl to notify the bureau. The instructions were that the information to the bureau should go out afterwards. Sometimes it didn't go out right away. It usually, however, got out fairly well after we had made a change. We might have put in a new price and have changed again and reported to the bureau. We could change our price every five minutes if we wanted to.

I only attended two meetings of the bureau; one was in the spring of 1919, I think, and I have forgotten when the other was. It was, however, after the one I have mentioned. We were regularly represented at the meetings by Mr. Daniels or Mr. Archer. At the times I was present there was not any discussion of prices that had
149 been charged in the past. I do not remember that there was a roll call at which each member offered himself to answer inquiries as to prices which he had charged in the past. I went to the meetings to see what they had in mind and to take part in the meeting. It might have been that there was something to talk about like freights and other matters like that; I don't remember. I don't care to state any particular reason why I went to the meetings. I just went because the meeting was called. There was no particular reason stated why we should attend. The records of the meetings tell everything that happened, all the conversations and everything that was discussed.

Q. You say, if I caught you rightly, that one of your purposes in joining the bureau was to secure information as to prices which were being made by the other crushers. Is that correct?

A. Market information; yes.

Q. When you say market information, doesn't that mean prices?

A. Yes.

Q. The quotations which were filed by the other crushers—it includes that?

A. Yes, sir.

Q. Did you in connection with other things take account of that information which you received through the bureau as to the prices of the other crushers when you made your own prices?

A. We took the flaxseed market into consideration and we took the cake market into consideration. I would not say we took the other fellow's prices into consideration. If we felt as though we wanted to reduce our prices, we would have anyway.

Q. I am asking you whether you took account of that information which you received through the bureau?

A. O, we made a note of it; yes.

150 Q. You took account of that when you were figuring your own prices; took that into consideration along with other things?

A. Yes.

At one time, if I remember correctly, we made the zone three price the same as the zone one price. I do not remember when that was or how long it lasted. I think it was after the zone system went into effect. I know that we made zone one the lowest price, because the Minneapolis market was the base, and that there was a difference in prices in the zones, but I do not recall the figures exactly. The cost of flaxseed at Minneapolis was the lowest and if we attempted to put it into zone three it would cost additional freight from Duluth to Buffalo. I do not know where the zoning plan came from or who submitted it. The maps came to us from the bureau. The change in the base zone from zone one to zone three was made once on account of the Argentine market being cheaper. We could lay the seed down in Buffalo as cheap as we could get it in Minneapolis. We just wired into the bureau that we had changed our price. We made the price even, the same for zone three as for zone one, and wired the bureau to that effect. There was no change in zoning, merely the two zones were the same.

Q. At other times did you adhere to that plan of zone one being regarded as the base and then zone two, your price being one cent higher in zone two and three cents higher in zone three, etc.? Did you make your prices in accordance with that plan?

A. Well, yes; that is the way we filed our prices.

Q. That is the way you filed your prices with the bureau?

A. Yes.

Redirect examination:

Before the meetings took place the bureau sent to each crusher subjects which would come up for discussion.

151 CARPENTER, J. That notice, however, of the subjects to come up did not exclude the discussion of any other subject?

A. No.

I don't know whether there was ever anything in those notices of subjects to come up for discussion with reference to the question of prices charged by the subscribers.

J. W. Daniels, T. L. Daniels, S. M. Archer, and G. A. Archer are the managing owners of the Archer-Daniels Company. I am the secretary and keep the records. I talked over with them the question of the company going into the Armstrong Bureau. I listened to a conversation in Mr. Archer's office with Mr. Armstrong or someone from his bureau, with reference to the matter, but I did not take any part in the discussion.

MONTAGUE FERRY, witness for the defendants. My home is Winnetka, Illinois; my place of business, Chicago. I am assistant director of the Armstrong Bureau of Related Industries and have been in that occupation approximately four years, except for about nine months' leave of absence. During that period I was doing labor work for the Emergency Fleet Corporation, being on the staff of the industrial relations department. My work there was to assist in preserving or, rather, maintaining cordial relations between the workers and the shipyards.

I wrote the book that has been introduced in evidence here, which is called or entitled, "Intelligent Selfishness, a Business Builder." As I recall it, that was something over a year ago. The meaning of the title is a little bit involved. It is a recognition of the fact that in practically all human activities, but, I think, largely and more particularly in business we are all selfish. It is a human attribute. "Intelligent Selfishness" simply means that we recognize that selfishness, and that in exercising that selfishness we are intelligent to the extent that while we are selfish we are also giving the other
152 fellow a square deal; that in every action we take we are considering the rights and privileges of the other man, who may be affected by that action.

That intelligent selfishness links up very closely, I would say, with the slogan of the bureau, which clearly expresses the idea of fairness not only to competitors of those trading but to the ultimate consumer, the dealers; in other words, everything affected by the operations of the bureau or its plans. There was a twofold object, or, I might say, a threefold object, in getting out this book. Candidly, one object was to extend the scope of the bureau, to further the cause of cooperation in the larger sense, and another object was to educate the various people affected by the operations of the bureau. It has always been the case that any organization of manufacturers has had a tendency to be misunderstood by buyers. We recognized that fact and through this book we made an effort to give a clear, clean-cut description of what we are actually trying to do, our aims, and our ideals.

The slogan of the bureau, to which I referred, is the stamp which is on the contracts that have been offered in evidence. (Plaintiff's Exhibit 1.)

The book I have referred to was widely circulated to everyone that wanted it—as far as the linseed industry is concerned, it was circulated to buyers of linseed oil and to many people who wrote

in for it, who had no particular connection with this particular industry, but who asked for the book as the result of our advertising it. This is a copy of a letter which was sent out by the bureau, and is a list of concerns and the members of such concerns to whom the letter was sent. Practically all the concerns on the list are large buyers of linseed oil. (Letter to large oil buyers and mailing list are marked "Defendant's Exhibit 3.")

153 CARPENTER, J. How does an industry get into the bureau?

A. I think the process in most cases is somewhat like this: The manufacturers who have availed themselves of this service speak to other manufacturers, their friends, or in some way or other it comes to the notice of other manufacturers who for one reason or another have not had cooperation, and they decide from what they hear that this is a good proposition, and possibly write us. One manufacturer will write the bureau and ask what it is all about. We use this book, as I said to start with. We use the book partly as a means of answering these questions.

CARPENTER, J. What can a single manufacturer get out of your service other than education?

A. When I say that he writes to the bureau, I mean that he perhaps may be a more progressive man than his fellows, and he writes to the bureau to get the information with a view to having us or himself interest his fellow manufacturers in this cooperative work. The single manufacturer, except in isolated cases, does not. We have no service to offer him except as perhaps some of our people have individual service to offer him.

The bureau had been in operation with other groups two or three years before the linseed-oil crushers became affiliated with it, and these other groups exchanged information in substantially the same way in which the linseed-oil crushers have.

Q. (Quoting Plaintiff's Exhibit 13, page 43.) Does the phrase "constructive competition is the life of trade" mean that kind of competition which prevents the lowering of prices?

A. It does not.

Q. What does it mean?

A. Constructive competition, as the term is used in the writing of that book and as we have used it frequently in all correspondence throughout, means competition which is based on knowledge

154 of manufacturing costs for one item, which is based on the law of supply and demand, and which is based on other accurate information and, I might add, which is based on the idea of fairness to competitors as well as to those who buy of the industry. I might add there that the term "constructive" is used in what I think is its usually accepted sense. I looked that up just to see if I was entirely wrong or not at the time of the bill of complaint, and I found that no less an authority than Mr. Hurley had used the term "constructive" at frequent intervals in practically the same sense that it is used in that book.

Q. There was some discussion this morning, Mr. Ferry, as to the phrase "a stabilized market." What do you understand is "a stabilized market"?

A. "A stabilized market" is a market where the competitive prices are regulated only by the law of supply and demand. Further, it is a market which is not affected by the more violent fluctuations that naturally result from a lack of accurate market information. I think that is about the best definition I could give of it.

The original ideal of the bureau is Mr. Armstrong's feeling that its function is to deliver service along many lines. The individual so-called trade association or cooperative organization of manufacturers can not, in the very nature of the case, afford to employ the sort of experts or well-grounded men along the lines of cost accounting, labor work, etc., that can be employed by centralized institutions such as the bureau.

Mr. Armstrong employed me to handle the labor work for the groups in the bureau. The linseed-oil industry is troubled by the fact that they employ a very low class of labor—"floaters," men who go from town to town as the result of wild rumors that they can get twice the wages in some other place. That extended pilgrim-
155 age from place to place is bad for the workers and the manufacturers. At one time that thing was quite considerable, and I went to Minneapolis and called a meeting of the factory superintendents, who discussed the problem and what we could do to overcome it. We at all times have tried to have correct knowledge and information on labor matters so that these men would know whether the prices they were paying were fair and more or less in keeping with the prices that the other manufacturers were paying for labor. The tendency of the bureau has always been to improve those relations.

The meetings of the crushers occurred once a month. It is my recollection that I have not missed more than two or three of them. There were probably about twenty of them in all. The first thing at the meetings is the taking of the attendance, which is done by the acting secretary of the meeting, usually Mr. Armstrong or myself. We never had a shorthand reporter at the meetings. Mr. Armstrong or myself take the notes of the meetings and the other one to a large extent directs their deliberation. In all probability the majority of the notes have been taken by me, while Mr. Armstrong directed the work. We take down as notes everything that is relevant in every way, shape, or form. We try to make the minutes of such a character that they tell the truth, the whole truth, and nothing but the truth as to what transpired at that meeting. The meetings have a purely social aspect. There is a great deal of joking and jesting back and forth, and, of course, that does not appear in the record. I believe it should be left out, because it has no bearing on the real business of the meeting.

We have a plan whereby we send out a docket, as we call it, some week or two in advance of each meeting. The docket sets forth cer-

tain matters that have been suggested by the crushers for discussion at the meeting. In a general way the program of the meeting
156 follows the docket. In fact, it almost exactly follows it, except where occasionally one discussion will lead into another channel and bring up another subject. Most of the men who attend the meetings are the executives of the companies, and the same men as a rule attend practically every meeting.

After the taking of the attendance is what we call the "round table" or what has been referred to as the "roll call." That is in a sense a means of clearing away any possible little misunderstandings that have held over from the written exchange of market information. For instance, one manufacturer might wonder why another manufacturer had done a certain thing for his own good reasons. He very often states why he wants to know, although in some cases he does not. The first man in alphabetical order is, as we say, "put on the carpet," which is a term which means comparatively little. Then we go around and call the roll of the others, and each one has the privilege of asking such questions as he desires of the other. Those questions are sometimes such as "What are you paying for a certain kind of labor?" "What quotations are you getting on barrels?" "In your experience, what has been the best way to filter linseed oil?" I could go on almost without end on the sort of questions that are asked. The man answering the question, of course, has the right, if he considers it too leading, or if it infringes on his business privacy, to refuse to answer, and as a matter of fact such questions are seldom asked. The whole tone of the proposition is just simply a clearing of any possible atmosphere. There have been many cases when we have gone through that roll call and there has not been a single question asked. Yet, there are other times when it brings forth the most constructive information. Such information, for instance, may relate to handling labor, or the question of whether it is better to use steel barrels or wooden barrels, the
157 question of how best to filter linseed oil, the manufacturing process, and everything under the sun. There is absolutely no bitterness or animosity at any of these meetings. Occasionally at these "round tables" one man may ask another man about the past price in some transaction which he does not understand, or there may be some detail of it that he wants cleared up, but which he has not thought was important enough to write a special letter about and concerning which he has just said to himself, "I will wait and ask the other men at the meeting." There has never been a discussion as to what prices were to be charged by any of the crushers.

Q. If any such discussion were attempted, what would occur, if anything?

A. If such a discussion seems imminent, which it has at times, the bureau promptly cuts it short or rather cuts it out althogether. That is the function of the director.

There absolutely were not at any of the meetings that I ever attended any agreements or understandings, expressed or implied or

otherwise, in reference to prices which any subscriber to the bureau might make.

Cross-examination:

Q. (Referring to Plaintiff's Exhibit 13, page 43, and counsel's question on direct examination.) Did the bureau shed any light on the law of supply and demand or on the costs of production, or did you exchange any information upon these subjects?

A. Yes. We frequently discussed the cost of production and as far as the law of supply and demand is concerned, we did not. That phrase is not used in so far as it applies specifically to the
158 linseed oil industry. There are some industries—and that book, of course, applies to all of our groups—there are some industries where the bureau does furnish information as to the supply of raw materials, etc. It happens not to be necessary in this industry.

Q. So that, in reference to the linseed-oil industry, if I understand you now, constructive competition meant competition which is based on the costs of production. That is the only remaining factor which you mentioned to counsel.

A. No. I used the term of supply and demand in the more general sense—where the law of supply and demand, in other words, was allowed to operate.

Q. Well, what about costs of production? You say that there was some discussion of that subject in your bureau. To what extent do you exchange or clear information with reference to costs of production?

A. Very little written clearance. The discussions were largely in the meetings on the costs of production and, I might add further that it is an extremely difficult thing in that particular industry to get definite costs of production until a certain time later.

Q. What was the chief work the bureau had concerning linseed oil? What was the bureau to do? What was your time devoted to? What were the clerks doing from day to day?

A. Why, exchanging market information, I would say.

Q. Market information? What does that mean?

A. Well, it means information which has been brought out here, if you want me to go into a definition of it.

Q. Do you mean quotations of the various members, and relaying those quotations from one to the other of the members?

A. Yes.

159 Q. That was the chief work?

A. And it also included, I believe, some accurate information. The paper work was in the office—some accurate information. The exchange of information as to prices undoubtedly had something to do with constructive competition, but the real fact of the situation is that we never paid any great amount of attention to that thing alone. That was not the sole end of the bureau, by any means. The relaying of this information as to prices was the principal work

that was going on—the principal clerical work which our clerks were engaged in doing.

CARPENTER, J. We are trying to get a definition of this word "constructive." Was the adjective used primarily with reference to the manufacturer or the consumer? Was this competition constructive from the consumers' standpoint or the manufacturers' standpoint?

A. We felt that we failed in our effort unless it is constructive from the standpoint of the manufacturer, the consumer, the dealer, and the ultimate consumer—that is, the general public. In other wards, we are trying to make it a public service.

CARPENTER, J. Well, then, there comes a time when theoretically the law of supply and demand must be changed by surgical operations for the benefit of the community?

A. As in the late war? Is that what you refer to?

CARPENTER, J. Exactly.

Q. Now, I notice you make use of the term "stabilization of markets, scientific stabilization." "Stabilization" is a word which recurs from time to time in your book. Just what does that mean with reference to the linseed-oil industry?

CARPENTER, J. Just think for a moment that we are a class that has joined your bureau, and have at least the same average
160 intelligence. Tell us what you told your class that this "stabilization" meant.

A. "Stabilization of market" means a market where competitive prices—that is, the prices of all the factors in that market—are based on this supply and demand; in other words, where the law of supply and demand is allowed to operate. But where factors in that market are possessed of accurate, definite market information, it will prevent them from—it will prevent wild fluctuations that so often are aroused by suspicion and, I think, largely by fear.

Q. Fluctuations do not always originate from suspicion, do they?

A. Not always, absolutely not.

Q. Now, then, if I get you, the elimination of some of this fluctuation is a part of what is meant by "stabilization."

A. Oh, I would think so. I think it is incidentally a part.

The question of whether the fluctuations from day to day or from week to week are somewhat lessened is a difficult one for me to answer. I can not do so in any other way than to say that it is my impression that it would cut off some of the peaks. My analysis of that thing has, however, been somewhat jarred by the records that we have been more recently making up.

Q. To come back to what you had in mind, in speaking of constructive competition, was it competition wherein some of these fluctuations from day to day and week to week were eliminated to some extent?

A. I do not believe I could answer that question honestly without admitting that if I saw a market represented graphically, which went this way [illustrating]——

Q. You mean up and down, don't you, violently?

A. Violently, from minute to minute; from day to day, every day. could not call that a constructive market from my opinion, or constructive competition.

161 Q. By constructive competition you mean to some extent lessening of those ups and downs?

A. I think I would be safe in saying that.

Q. And also at any given time in a market wherein constructive competition existed, as you use the term, there would be possibly a somewhat less spread between the various factors in that market?

A. There might be.

Q. Well, is not that part of the thought?

A. Oh, no; absolutely not.

Q. I am speaking now of the given date—the spread which may exist on any given date as between the different factors in the industry, the different producers, if there is a wide variation between their prices; that would not be a constructive market, would it?

A. Well, it depends upon the degree somewhat.

Q. The constructive tendency is lessened to the same extent as the spread, is it not?

A. If you go far enough, I would certainly have to say it would not be constructive competition. I mean if the spread is big enough.

Q. In other words, as the market is a constructive market, with constructive competition, some of this spread is reduced?

A. Possibly so.

CARPENTER, J. Could there have been any objection to your using the phrase "intelligent competition" instead of "constructive competition"?

A. I think, in view of what has happened to me, it would have been better if I had.

CARPENTER, J. Does not either one or both imply a cooperation between the competitors?

A. Yes, sir.

CARPENTER, J. In other words, modification of the natural

162 law of competition?

A. I think so. I think that can be said.

The statement in the book (Plaintiff's Exhibit 13), "referring to his board of trade experience, Mr. Armstrong believed that the exchange of such information under definite obligatory service contracts would create and recognize a stable market in any industry" was my understanding at the time I wrote it. I had acquired that information from Mr. Armstrong.

Q. Here I have a sentence on page 58, "Reports of shipments and reports of orders and contracts, etc., with complete information regarding the selling prices, terms, etc., are given to the bureau at periods monthly or weekly, so that each one not only has a market barometer of the entire industry," and this is what I am emphasizing, "but has a record of his competitors to guide his own efforts." That was a part of the plan of the bureau, was it not?

A. I think there is no question about that.

Q. Then the last reference which I want to make is this: "It will be clear to the reader," I am reading from page 59, "that this plan throws competition upon quality of goods and service rendered rather than upon price alone, and he will readily agree that this basis is the proper one from the standpoint of manufacturer and the buyer and the commonwealth."

A. I will have to acknowledge that.

Redirect examination:

The benefit from the plan stated in the last quotation, from the standpoint of the buyer, as well as of the seller, is in the general information. It has always been our belief in the bureau that to a very large extent the quality of the service was quite often overlooked in a case of destructive competition. By destructive competition I mean competition where goods are sold absolutely on
163 the basis of price alone, and where the quality does not make any particular difference. It is a case of "get the business regardless." If in this state of destructive competition the manufacturer has cut his price down far enough, he is going to cut the quality of his goods. It can not be otherwise. He is willing to quote any price to get the business.

Q. I will ask you, then, Mr. Ferry, does this exchange of information by the subscribers of the bureau bring about natural competition?

CARPENTER, J. That is one of the questions I will have to decide eventually, and I may disagree with the witness.

A. Well, I think the better way to state it as a matter of actual exchange is that it does not interfere with natural competition. I would not say that in every case it brought it about; I do not know.

Q. It does not modify it?

A. It does not modify it.

Recross-examination:

I do not mean to emphasize the point about competition being based not on price alone but on the qualities of the goods, with reference to the linseed industry. This book [Plaintiff's Exhibit 13] was not written with reference to the linseed-oil industry. I am stating general principles which apply to all these industries, although they have no bearing upon linseed.

Redirect examination:

We have had the plan, or ideal, ever since I have been with the bureau, that we would answer fully any questions that any man wanted to ask about his work. Buyers and consumers of linseed oil have come into the bureau, have shown an interest in it, and have asked to see the records which pertain to certain things that they knew had taken place, and we have shown them the records of those transactions.

CARPENTER, J. Did you tell them anything that they did not know?

You say they asked you for certain things that took place and
164 you verified it; but did you go further and tell them things that they did not already know?

A. That is a question that I could not answer; frankly, I do not know.

CARPENTER, J. Is this for compensation? I mean, when the consumer goes and asks for information, is it on the theory of mercantile reports that the service is given out or is it open to the public?

A. It is open to the extent that I have just stated. We do not get any compensation from the consumer, if that is what you mean.

If a consumer came in and inquired as to what prices were made on a certain day, we would show it to him. We once attempted to negotiate with the National Varnish & Paint Manufacturers' Association to give them these market statistics, so that they could derive the benefit from the statistics that were already in existence, and which it would have taken practically no extra work to compile.

Recross-examination:

Q. When you speak of furnishing information to consumers, you mean the paint and varnish manufacturers?

A. Any consumers.

Q. Well, did you ever have any experience with any other consumers?

A. Yes; I have personally, in a very definite way.

Q. As an official of the bureau?

A. Yes, sir; I have. Do you want me to go into details?

Q. What sort of a consumer?

A. Why, manufacturers and users of linseed oil.

Q. Yes; those who use linseed oil in manufacturing products for sale? That would cover them all, would it not? In other words, let me put it this way: You are not speaking of the people who buy paint throughout the country?

A. Some of these people buy a great deal of paint and varnish.

Q. People who paint their houses, and paint their buildings?

A. When we——

Q. Is that what you have in mind?

A. Yes.

Q. Then you may explain further.

A. Yes; there is no restriction on the kind of people we have given information to; absolutely not.

Q. But those whom you have given information to, in fact, have been the people who use the linseed oil in making prod-
165 ucts for resale? Is that not true?

A. No, sir. They are paint users, men that use paint, manufacturers who use paint, as well as people who use the oil in products for resale.

Q. You have given some information to them, too?

A. Yes, indeed.

Q. And you did make, if I understand, effort to bring the big buyers of linseed oil into this—some sort of co-operative arrangement with the bureau?

A. Well, I would not call it some sort of co-operative arrangement, except in a very general way. What we did attempt to do, and have always attempted to do, is to explain to them fully and freely and without any evasion just exactly what this work is and what we are doing. We have at every turn of the road done that with anybody.

Q. And you encountered approval from most of the buyers, didn't you?

A. We encountered approval from a great many of the buyers, I would say.

Q. Yes.

A. Of course, "most of them" is a pretty big term.

Q. Well, those that you have dealt with?

A. Those that I have dealt with, practically right straight through.

Redirect examination by Mr. WALSH:

Q. It occurs to me you talked to me some time ago about addressing a meeting in Cleveland with reference to this cooperative work. What was that?

A. That was the meeting of the Cleveland Industrial Association, which takes in probably, I guess, three thousand manufacturers in and around Cleveland. They asked the bureau to send a representative down there to talk to them about the Armstrong plan in all its ramifications, and I went down and talked to them, I suppose about 250 or 300 people.

Q. And where was this?

166 A. At Cleveland, Ohio, the Cleveland Industrial Association.

Q. And where else did you talk?

A. I talked at several other places on this plan. Toledo.

Q. That is, explaining the operations of the Armstrong Bureau as it has been explained or evidence of which has been given here in this case?

A. Yes; and going a little further; in fact, the explanation of it is never altogether satisfactory, for the reason that pretty near any man in an audience can think of questions. We always make it a point, or I always make it a point, to make a reasonably accurate description of the plan and ask then for questions; and then we will answer questions, some time as much as an hour, which was the case in this Cleveland affair.

WILLAM O. GOODRICH, witness for defendants. I live in Milwaukee, Wisconsin, and am a manufacturer of linseed oil, and have been in that business forty years. The name of my company is "William O. Goodrich Company," and it manufactures and sells linseed oil. My company had contractual relations with the Arm-

trong Bureau from October, 1918, until the first day of July, 1920. do not know that there were any conditions in the industry that ed me to join the bureau. I regarded the plan proposed by it as a ery good one, which would change conditions then existing for the etter. I refer to the general feeling of distrust and lack of confi- ience in the various members engaged in the industry and to the eneral darkness that surrounded me in my attempts to gauge con- itions. Those conditions had always existed in the past. With re- gard to doing business in the dark, I mean that I am one of the maller crushers in the industry and am, perhaps, under a great deal more of a handicap than some of the larger ones, in that I do not have the same diversified means of obtaining information as to mar- ket conditions and conditions of the trade. I was dependent largely upon such information as I got from the buyers of linseed oil as to what was doing.

Q. What was the matter with the information, if anything?

167 A. It was very largely prejudiced and given out with the very definite idea of misleading me.

Q. Did information come to you often that your competitors were offering a cheaper price than you were, when, as a matter of fact, the condition was not so?

A. That was the usual method of procedure. Yes.

I used the information that I got from the Armstrong Bureau to check up my own line of action as to whether or not I could afford to make a price such as was being quoted in connection with the cost and the price of seed. The full crushing capacity of my plant is about 1,500,000 bushels. I distribute my oil largely through agents scattered pretty well over the country, who sell the oil on commission.

Q. Did you ever feel under obligation of any kind to maintain any filed price, which you made, for any length of time whatsoever?

A. Only so long as I maintained that price. When I made an- other one I changed it.

Q. But did you feel under any obligations to continue the price that you had made for any length of time?

A. No, sir.

Q. Did you ever give any assurance to anyone that you would not change your price for any definite length of time?

A. No, sir.

Q. Did any of the other crushers give you such assurance of any kind?

A. No, sir.

I placed much more reliance upon the prices which I received from the bureau than I had on the information which I got from general channels before I joined the bureau. I never gave any of the crushers any assurance that they would not encounter any com- petition from me at any time or any place, and none of the crushers ever gave me any such kind of assurance.

I, in fact, always competed while affiliated with the Armstrong Bureau, the same as I competed previously or afterwards. I usually go out to get business by first ascertaining what my own position is with relation to selling—how anxious I am to sell.
168 Then I find out what my costs are, find out what the general market is, and see whether I can afford to cut under somebody else's prices or whether I can afford to meet that person's price. When there is a prospective customer who I think would be an advantageous customer, I usually try to quote him a price that will sell him. I was in Philadelphia some time during the winter of 1919 and was talking with Mr. Farr, of the Farr-Bailey Company, manufacturers of linoleum. They are large consumers of oil. I happened at that time to be rather filled up with oil and I was rather anxious to dispose of some of it. In my conversation with Mr. Farr I ascertained that he was not interested in the price that I quoted, which was $1.68. I afterwards drew him out to the effect that he would be interested at a somewhat lower price, and I asked him how great a quantity he would buy if he got it at the right price. He told me he thought he might buy 2,000 barrels. I asked him at what price he would buy that amount, and he said, "Better than $1.60." I immediately offered him 2,000 barrels at $1.59, and he accepted it. I wired that information to the bureau, and it relayed it to the rest of the council members. I made the sale to Mr. Farr at the moment I have spoken of. The price was a reduction of about 9 cents.

I talked with the general manager of Sears, Roebuck & Co., the man who testified here, and attempted to sell him some linseed oil. That was during the operation of the bureau. He informed me that it was not possible to sell him any oil; that he had been doing business for a great many years with a certain crusher here in Chicago; that he had certain intimate relations with him; and that as long as that man was in the business he thought he would continue to buy of him. I then asked him if he meant to say that he would not be interested in oil at any price I might offer, and he said he would not. I said: "Do you mean to tell me, sir, that if I offered to sell you oil for 75 cents when it was worth $1.50 that you would not be interested in my wares?" He said, "Not at all. It is quite a waste of time for you to talk to me."

I am very glad to say that the incident in Philadelphia to
169 which I have referred is not typical of my relations in selling oil generally. I do not like to think of making as drastic a cut as I did in that particular instance. I am not always obliged to cut the market quite that hard; that is, however, entirely characteristic of my efforts to get business.

For the last twenty years, at least, the terms of sale in the linseed-oil business have been 30 days and 1% off for cash in 10 days. The conditions of sale were not any different during the period of the operation of the Armstrong Bureau than they were at any other time. There was some recommendation made with reference to

trade acceptances. I never tried to impose them on any of my customers but I did offer them the opportunity of giving trade acceptances and I wrote them all letters in which I recommended the trade acceptance as being of benefit to them and to me. They worked out very well with my trade. We are still using trade acceptances in probably 75% of our business, which is not discounted for cash. The advantage of having trade acceptances is that I can bank them and get money.

CARPENTER, J. What is the advantage on the other side to the man who gives it? He has 30 days anyway.

A. He has 30 days, anyway; but there is an advantage in the fact that he has made a definite commitment for a certain amount at a certain date, and he plans his business accordingly. If he has given a trade acceptance or a note which is due on a certain date, he plans ahead to have his bank account such that he can meet that note at the time. If it is an open account, he is very much more apt to be lax in the way he treats it.

CARPENTER, J.: You mean the advantage to him is that it makes a better business man out of him?

A. Yes, sir.

I heard Mr. Richardson testify as to a conversation which he had with me with reference to his account. As Mr. Richardson stated the conversation, he was stating exactly the opposite of the fact. I did not make any such statement with reference to the bureau
170 as he stated I did. I may have discussed the matter of the bureau with him. If I did, it was in a general way, and I do not now recall. I went to him largely on the question of credits. As a matter of fact, he is not very strong financially, and I had learned in conversation with some of the other crushers that he was in the habit of rather "kiting" his accounts. I mean by that that he would get as much as possible from one crusher, and that when that crusher would call a halt on his credit he would go to another and start the same ball rolling. When I found he had done that with me I immediately attempted to collect the account. I finally compromised with him by taking his note for a very large proportion of the amount that he owed me. The amount of the account then was between $20,000 and $25,000. I got the credit information on which I acted at some of our informal talks in the bureau meetings. To my recollection there was nothing said about prices in my talk with Mr. Richardson.

Q. Did you tell him that purchasers ought to be satisfied because they could all buy at the same price?

A. No, sir.

Q. Or that whatever price the buyers bought at they could add onto the price of their paint?

A. That is manifestly absurb; it is so contrary to the fact that it is absurd.

I saw the zone map that has been introduced in evidence here (Plaintiff's Exhibit 5). Its purpose was, as I understood it, to

facilitate the relaying of information to the bureau. The fact of having these zones was not new at all. It was merely a way to divide up the freight rates so that it was not necessary to go into extensive calculations in figuring the rate of freight to a point in any zone. The basic rate was made at the point where the seed originated, and we figured that a mill at that point was manufacturing at the lowest or basic price and that the distribution should be in accordance with the cost of freight to get the goods from that point to the various points in the country. The zones included certain areas that
171 had approximately the same freight rates in order to eliminate small differences in various local points in these various zones. There was, of course, a change in that method, occasioned by the fact that the crop was almost a complete failure in the Northwest, and I and others were obliged to buy seed from South America. We reversed the condition and made New York naturally the base. At that time we simply reversed the proposition, making zone 3 the basic point, as that was the cheapest point, and from there on the rates were elevated in accordance with the freight rates to the different parts of the country.

CARPENTER, J. Did you manufacture in New York when the seed came from Argentina?

A. No, sir.

CARPENTER, J. All of your refining was done in Milwaukee?

A. Yes; I only have the one mill.

CARPENTER, J. I was trying to understand why you should have to change your price zone if the seed came from New York and Argentina rather than through Minneapolis from the Northwest.

A. Well, Judge, because if it comes from New York, I am at a very great disadvantage with the New York man. I have paid 35 cents or 40 cents a hundred to get the seed from New York to Milwaukee, and if I again send the oil back to New York I am at a still greater disadvantage to that man. It really resulted in cutting me out entirely in the eastern market. I was no longer able to compete, but it was quite right that New York should be made the base.

I had to adopt the basis of the New York man's price, but I did not attempt to sell in New York. I was not able to get anywhere near New York, and I have not been able to ever since. The adoption of the zoning system certainly did not in any way fix any price
172 or have a tendency to fix the prices which I might quote anywhere. It only made the prices relative and commensurate with the freight rate to any particular point. Previous to the adoption of the zoning system it was a somewhat laborious undertaking to find out what the actual freight was and figure it to a man's town. The zone figures are somewhat approximate. It did not always follow that it cost exactly 2 cents a barrel to get into zone 2, but it was as nearly as we could approximate it. Our contracts read "f. o. b. point of delivery, freight allowed."

Q. And you do not impose that obligation on any one, do you?

A. No, sir. Not unless——

Q. Each buyer is at liberty to pay his own freight and buy it at the lower price?

A. Yes, that is, if he signs a contract, we won't object.

I never feel in any way under any obligation to follow the prices of any of my competitors. The fact is that I deviate very often from their prices. Their prices are only a guide to me as to the general condition of the trade. My own price has always been a matter for me to determine, depending on my anxiety to sell and my purchases of seed. I might have been fortunate in buying some seed before the price advanced, so that I was able to make a quite drastic cut without actually losing money, and when there was such circumstances, I did so.

Q. Do you know of any method by which the exchange of market information through the Armstrong Bureau could in any way lessen competition?

No, sir. If you mean by that that it had a tendency to stabilize prices, I must say that I do not think it had the slightest. I do not believe that it is possible to stabilize prices in a business like ours, where there is a wide fluctuation in the raw material, often as much as 50 cents in a day, thereby causing the most erratic
173 changes in value. It is quite impossible to talk about stabilizing prices. You can not do it; there is no such thing possible.

Q. Did anyone ever criticize you for making any kind of a price at any time—that is, any of these crushers or the bureau?

A. In the nature of a reprimand, you mean?

Q. Yes.

A. No, sir.

There were no penalties imposed upon anyone connected with the bureau for doing or not doing anything. I attended all but one or two of the meetings of the bureau. There were no discussions at the meetings as to the prices that we would charge for our product at any time. We followed the line of procedure that has been outlined here before—the roll call and the round table, and the discussion of the docket that had been forwarded. The discussions were on subjects personal to the industry, and were very general. I am not very clear about the result of the discussion regarding the abolition of fractions of a cent in selling. It was not followed. I think it was considered a little too much.

Cross examination:

There was not to my knowledge a resolution doing away with the fraction of a cent, but I would not deny it, if it appeared in the minutes of the meetings. I actually quoted fractions of a cent during the operation of the bureau. I certainly filed such prices with the bureau, if I made them. I could not say that I ever filed such a price with the bureau as my quoted price. I filed the price, if I made it, changing my price. Whatever the record shows is centainly correct. After I made any new price, I certainly

174 notified the bureau—that was part of my obligation. A special price means that I make one price to one man, when I do not change my general quotations to my agents. In such cases it was my obligation immediately to name the man, and the amount and the price that I had sold at to the bureau, for relaying to all the other members, and also to notify the bureau whether I got the business.

Quite possibly I did discuss the bureau in my conversation with Mr. Richardson, but in a very general way. I cannot give a version of that conversation, because it was so general and so little pertaining to the real object of my visit that it made little impression upon me. I think that the subject came up incidentally and that I did not bring it up.

The zoning plan was recommended. I do not know that we can say we passed a resolution. I think that all acquiesced in the recommendation. At the one time we substituted zone 3 for zone 1 as a basic zone. Then our other prices were to be proportionately higher, as they lay more remote from the basic point. The differential was a matter of uniformity, the same as it had been. The surrounding zones took one or two cents more than the Buffalo zone, in accordance with the freight rate. It may have been that they made some changes in the remoter areas. I think they did; I am not now cognizant of the exact figures as to the differentials. It was always based upon the cost to get it to any point. It is quite possible that when New York became the basic point the California or Pacific coast rates were changed from the time when Chicago or Minneapolis was in zone 1. I think the change in the basic point was the subject of a resolution or discussion such as the adoption of the zoning plan. I think it was up at a meeting of the bureau. I would not say that it did not take the form of a definite resolution. I would say that it took the form of a recommendation and that it was more or less unimportant, because the change had already been made.

175 It had taken place by reason of the change of conditions and the fact that the seed then originated in New York, as far as this country was concerned. The subject was discussed, the recommendation was made, and we all acquiesced in the recommendation.

There was a provision for the posting of Liberty bonds as a penalty for violation of the provisions of the contract. As far as I know, that was enforced. At least, I considered myself bound by it.

CARPENTER, J. You said, I think, in the early part of your cross-examination, that you joined the bureau because of conditions of distrust. Now, were those conditions general to the commercial world or peculiar to the linseed oil industry, and what were they?

A. I think, your honor, that the conditions were rather aggravated in the linseed oil industry. It so happened that there were two or three very large crushers, and my position was made more difficult by that fact. There was not the greatest amount of harmony exist-

ing between the large crushers and the small crushers, and I welcomed this opportunity, after some study, as being one to relieve that situation and to bring a little bit of the "golden rule" into the actions of the crushers.

Redirect examination:

Q. Those zones were changed without consulting anyone; economic conditions brought about the situation so that linseed oil was produced cheaper in New York than in any other portion of the country?

A. Certainly; that was the reason.

Q. No matter what resolutions were passed by the bureau, the crushers were trying to act upon the conditions as it affected them only?

A. Of course; they could not do otherwise.

Q. Did you feel under obligation to follow any recommendations or resolutions of the bureau?

176 A. I would feel—it *it* was generally recommended and it was quite right it should be so—I would feel that natural obligation which would——

Recross-examination:

Q. The absence of harmony, which obtained before the bureau—did that include perhaps a fear or feeling of uncertainty as to what the other crushers were charging—whether they were making lower prices or not, or whether they were underselling your prices?

A. Certainly.

Q. And in joining the bureau you secured definite information as to what they were charging; thus that produced a condition of harmony and you took into account the prices which were filed through the bureau and transmitted to you in selling your oil?

A. Naturally.

Q. That is what you joined for, was it not?

A. Naturally, it was my basis of information.

The Philadelphia incident was not the only transaction where I undersold my competitors. I needed money, or I would not have made the price, but I did that very frequently. When I had the stock and needed the money, I made the price that would give me the customer, and what anybody else's price was had no bearing on the question.

Redirect examination:

Inactivity in the market would naturally be emphasized when there was a very small amount of general buying, when the demand was small, when the prices of seed had remained stationary, and when there was plenty of seed and no particular reason for anybody wanting to load up with a large amount of oil. Prices then would be stationery. The market for future oil would depend entirely upon the future seed market and the future cake market, and therefore depends a good deal upon speculation. The percentage of my business—that is, spot business—is changing. In the past

I used to sell a great percentage of my oil in futures, but I have branched out a good deal lately, and have a great many agencies scattered around and am increasing spot business very rapidly.

177 Recross-examination by Mr. MITCHELL:

Q. Having definite information through the bureau of the prices on file by the larger crushers at any given time and knowing that those prices were found to be adhered to until notice was given to the bureau and relaying it to everybody else, having that knowledge as to the prices would tend to prevent you from making a sale at very much under those prices, would it not?

A. First of all the question, as you put it, in which you state that I know the prices will be adhered to, is not really in accordance with the fact, because I did not know that. Consequently, I would not be very much influenced in my action by the fact of their making a specified or specific price. My action would be entirely determined by my own conditions and my own anxiety to sell.

Q. Well, weren't they bound the same as you to adhere to filed prices until they notified the bureau of the change?

A. No. They made the prices——

Mr. MITCHELL. Q. Unless they notified—if a special sale was made, unless they sent in immediate notice?

A. No, sir.

Mr. MITCHELL. Q. Which also was sent to you?

A. No, sir. They were at liberty to change their price at any moment.

Q. With notification?

A. After, after they changed the price.

Q. With immediate notification?

A. Yes; but that notification could not in the natural course of events come to me for quite a considerable period of time after the deal was over and consequently I might be out of the market.

Q. Well, how long?

A. And unable to sell; in that condition when the notice was received.

Q. How long a period of time would that comprise? Time to send a telegram to the bureau and for the bureau to send out a telegram?

A. Yes.

178 Q. That will appear of record.

A. But that was quite a considerable time sometimes.

Q. Well, that length of time, the minutes or the hours in some instances, will appear in the record, of course?

A. Yes; it does appear in the record, but, as a matter of fact, it was often twenty-four hours owing to the delay of telegrams.

Q. One coming out late one afternoon would not get to you until the next morning?

Recross-examination:

A. No. I have frequently known cases where I have made a price, have telegraphed it into the bureau, and the information was not re-

ceived by some of the others until the following day owing to delays of the telegraph company, or clerical delays in the office. Consequently, I never felt a great deal as if I could place much reliance upon the quoted price. In other words, I knew that if I really wanted to sell the oil it was up to me to make the price that would sell it.

Q. And you attached no importance to the fact that you had received this notice of price, which was on file by the large crushers with the bureau, and that they were bound to give immediate notice through the bureau to you of any change?

A. Why, certainly I attached some importance to it. It is one of those things which gave me a guide as to the general trend of the market.

Q. In making your own price?

A. Yes.

Q. You would take that as one of the guides, would you?

A. Yes; certainly.

179 APRIL 22.

SAMUEL MAIRS, witness for defendants, recalled.

Cross-examination:

I yesterday telephoned to St. Paul to verify the evidence which I had given with reference to the time within which we had reported our price changes to the bureau. I got an answer by telegram showing the time within which those reports were made. We have a book which records the time that the messages are sent out, which is kept in the usual course of business, and the information in this telegram was taken from that book. When I phoned to the office I told them to send me a record of the price changes which were made in 1919, showing the time the messages were sent out and how much later the messages were sent to the bureau, and I got this answer in reply.

CARPENTER, J. We should get the book unless counsel will agree that this can go in.

Mr. MITCHELL. We should get the book and the person who has the custody of the book.

Mr. WALSH. If the court please, if I may have time to check up this telegram.

Mr. MITCHELL. We will check this up later this morning or the first thing this afternoon, and we will subpœna that book.

SAMUEL MAIRS, witness for defendants, recalled.

Cross-examination:

This telegram shows the differences in the times when we wired the Armstrong Bureau of our quoted prices and when we wired our agents.

Mr. WALSH. No objection; let it be marked.

180 (Telegram from Archer-Daniels Company to Samuel Mairs stating minutes intervening between wiring agents and Arm-

strong Bureau of changes in prices is marked "Plaintiff's Exhibit 17.")

Redirect examination:

I have never to my knowledge sent price information to the bureau which had not already been quoted to our trade. The statement in the telegram (plaintiff's Exhibit 17) "From 17th November wired bureau before wiring agents at bureau's request ten minutes" means that we wired the bureau ten minutes before we wired our quoted price to our agents. The reason for that was to get the information to the bureau quicker. We quoted a price and immediately wired the bureau before notifying all our agents in the field so that our competitors might be in a position to compete with our price as quickly as our agents would be. We continued that practice after November 7. During our affiliation with the Armstrong Bureau we never made quotations or reports therein in any other way than as directed by the contract.

Recross-examination:

The third sentence in the telegram (plaintiff's Exhibit 17) means that we quoted a price and then wired the bureau and after that advised our agents of our quoted price. It does not refer to special sales.

CARPENTER, J. Was there a special request by the bureau for this particular information?

A. The bureau asked us to give them the information before we took the time to give it to all of our agents.

181 DANIEL A. MURPHY, witness for defendants. I live in Blue Island, Illinois, and am secretary of the Wadsworth-Howland Company, manufacturers of paint. I attended to the purchasing of linseed oil for the company and have done so for about twenty years. The company buys between 3,000 and 4,000 barrels a year. I have always kept in close touch with the market and am familiar with price conditions before September, 1918.

Q. Will you please tell us whether before September, 1918, there was competition in the linseed oil market between various crushers?

A. There was.

Q. And was that indicated by differences in prices of the various crushers at the same time?

A. Yes, sir.

Q. Before 1918 did the various crushers always have different prices at the same time?

A. As a rule. There were times when some of them would be the same, but as a rule there was a variation.

The times when there was no variation in prices were, ordinarily, periods when the market was quiet. After September, 1918, I obtained quotations from the various crushers of linseed oil, possibly once a week.

Q. Were the quotations as you obtained them after September, 1918, always the same?

A. No, sir.

Q. There was a disparity in the price quoted at the same time by the various crushers?

A. There was.

I obtained quotations from the American Linseed Company, Hirst & Begley Linseed Company, Midland Linseed Company, Goodrich Company, and Spencer-Kellogg Company. The differences in the prices between the various crushers indicated by the various
182 quotations on the same day would vary at time from 1–4 cents a gallon.

Q. And did those variations continue during the time that you inquired for quotations?

A. Yes.

Q. From September, 1918, down through June, 1920?

A. Yes.

Q. Did that state of affairs indicate to your mind that there was active competition in the market between the crushers for your business?

A. Yes.

Cross-examination:

Q. Do I understand, Mr. Murphy, that you mean that after the formation of this bureau there was always a spreading of prices at any given time?

A. Yes.

Q. Always?

CARPENTER, J. From 1–4 cents a gallon?

Mr. MITCHELL. Always?

A. Yes; so far as I remember. I kept no actual record of it, but I am answering from my memory and from my actual experience.

I received the same quotations from one or two at times, but as a rule there was a spread. I do not keep any sort of record of these quotations. I can not give any dates in substantiation of my statement, as I am basing it entirely on my recollection.

JOHN E. THOMAS, witness for defendants. I am a paint manufacturer at La Grange, Illinois, and have been in that business twenty-five years. I get quotations by telephone from the crushers as to the price of linseed oil practically every day. I knew of the ex-
183 istence of the Armstrong Bureau from October, 1918, until June 30, 1920. I knew that the Linseed Oil Council was operated through the bureau at that time.

Q. State whether or not you were able to get varying quotations from these crushers throughout that period.

A. Yes, the quotations varied, but at times——

Q. On the same day?

A. Oh, yes; on the same day.

Q. Can you not approximate the variation in the prices?

A. Well, not very clearly. There is not much variation—I should say, between one, two, or three cents—somewhere in there.

I should say that three or four cents would be as big a spread as I can remember at any time.

Q. State whether or not you found any difference in the quoting of prices to you during the régime of the Linseed Oil Council and prior thereto and subsequent thereto. Was there any material difference between the quotations—that is, as to the spread?

A. No, not very—there was no material difference.

I generally buy oil on the advice of the crushers, as we have always figured that they are in closer touch with the situation than we could ever hope to be. We usually have a pet crusher, and when he thinks it would be a good purchase for us, he advises us to buy, and we do so on his advice. We have been doing business that way about seven or eight years and have found it very satisfactory. We always check up the prices given us with the quotations, and have found that we were being fairly treated by this particular crusher.

Q. Will you state now, from your experience as a buyer over many years, whether or not the operation of the Linseed Oil Council under the Armstrong Bureau worked an unfair burden upon you as a buyer?

A. We did not feel that it did.

184 GEORGE A. MARTIN, witness for defendants. I reside in Cleveland, Ohio, and am vice president and general manager of the Sherwin-Williams Company, manufacturers of dyes, insecticides, paints, varnishes, and some other things, and crushers of linseed oil. We have a producing capacity of about 30,000 or 40,000 barrels of oil a year, which is about 30% or 40% of our requirements. We use oil for consumption and for sale together to the extent of 75,000 or 100,000 barrels a year. I have been connected with the business twenty-eight or thirty years.

The Sherwin-Williams Company subscribed to the Armstrong Bureau because the linseed oil industry was the most unsatisfactory that we had to contend with, and we believed from the information given by those who tried to introduce the service that we could and possibly might eliminate some of the irregularities or abuses which were beyond the control of any one individual. First among those irregularities or abuses I would mention the wide fluctuations and the speculations in flax, and things of that sort. Others were the disparity in probably freight conditions. No one crusher alone had the power or prestige to influence or correct some of the abuses which were practiced by others.

We sell very little linseed oil to the large consumers or to the same class of trade as the other crushers. Our market is generally through direct representation in small towns and to small buyers throughout the civilized world. We have over a thousand such representatives, and they make their own prices. Those prices to small consumers on 1–5 barrel lots or more were not reported to the bureau, and were not supposed to be reported.

185 Q. In what way did the quotations which you received from the bureau affect your business as a consumer of oil?

A. It was a guide to start on—that is, it was a more reliable guide an we had had prior to the formation of the bureau. We did not ave to do so much feeling out to see what the market was. We only sell at wholesale on rare occasions, when we find that we e in wrong on the market and believe it advisable to get out in a urry. We then cut at a sacrifice to a competitor. Our principal usiness as a crusher is to consume our own oil or to sell it at retail to mall customers.

I only attended about six or eight of the meetings of the Linseed Oil Council at the Armstrong Bureau. There was no discussion at any f these meetings as to the prices which were to be charged by any f the crushers, and there were no understandings or intimations of ny kind as to prices which any one should thereafter charge.

I believe we are among the largest buyers of linseed oil in the coun- ry. We keep a department for the purpose of constantly following narket quotations of all kinds. We are kept constantly advised as o the market through phone calls and personal calls, and when in our opinion we believe it advisable to get in and buy, we get busy and olicit prices from the local representatives and, if necessary, wires rom others. After considering them all we decide what we think we ought to pay, and usually make a firm offer so as to get leakage. We generally buy at the lowest price, as there is not much difference n the grade or quality of linseed oil. There was practically no differ- ence; that is, as to the spread during the affiliation of the crushers with the Armstrong Bureau and previous thereto, and since it 186 ceased. I would say that competition during the affiliation with the Armstrong Bureau was the same—practcially the same. During certain periods of the year there is a little activity in the purchase of linseed oil because, I think, of the supply and demand.

The crushers from whom we buy are the American, Spencer-Kellogg, Mann Bros., the Midland, and, occasionally, others. From my experience the resignation of the Spencer-Kellogg Company and the Midland made no difference in the competition.

Cross-examination:

When we changed our prices we reported promptly to the bureau through a department which is supposed to be systematized for prompt action. We agreed to make the reports immediately, as has been stated, and that was our course. We issued no notices of prices, as we only sell on quotations, or if a sale was made the price was reported but was not circulated. After any price was made to a buyer or an inquirer we then made it to the bureau, and it was good until a further change was made.

I have not observed that at current times there have been wide variations in prices between the different crushers, but during periods of two or three weeks or a month they would be very wide.

With reference to the unsatisfactory conditions which obtained prior to the formation of the bureau, I would say first that in the

sale of oil througout country towns it was very difficult to aid a buyer or to make a satisfactory sale in competition with others, due to the reason that there was an uncertainty as to how to establish a price. For instance, if a buyer in Kokomo, Indiana, asked a sales representative his price, we could name him the Cleveland
187 price or the price f. o. b. his town, but in doing that it took time to determine what the freight rate would be from Minneapolis by way of Chicago, so as to know what it would cost us in competition with the others; and in that way there was no particular method of finding out how to do business.

Q. How was that remedied in the operations of this bureau?

A. I think the word "stabilize" would come in there more than anything else in the zoning districts.

Q. Explain what you mean by "stabilizing" and the "zoning system."

A. That is what I call stabilizing—by the working out and establishing of actual facts and conditions as to what it would cost the merchant in Kokomo, Indiana, if his prices—that is, the additional charge to them based on the cost.

Q. Do you mean that in fixing your price or quoting the price or naming the price to this merchant at Kokomo, Indiana, you would be able to ascertain what that ought to be in some way or other by the zoning system?

A. Yes, sir. I could not tell you how that is and how the zoning figures were established, not having been present. I took it for granted that they were correct. The addition of 1, 2, 3, or whatever cents were added by the zoning system to our base price eliminated the other abuses, which, as I said, we were never able to determine upon.

Q. So that, having given or having established your base price, then the prices out in the other places in the country would follow by a simple matter of addition and computation of a few cents?

A. I would have to admit that. Yes, sir; yes, sir.

Q. That is one of the things that you have in mind?

A. That is one of them.

Q. Of the situation that they created during the operation
188 of the bureau?

A. Yes, sir.

By our base price I mean that Cleveland is in a certain zone and that the base price would be there in the zone in which Cleveland is situated. Our base price there would be the zoning price at Cleveland, however we could pick it up and wherever we might find competition—whatever price was quoted in that section. That would come to us through the information that we got from the bureau as to what other crushers were quoting. We would recognize that as a base price, and the prices in the other zones would be a matter of 1, 2, etc., cents in addition thereto, according to the map.

Redirect examination:

I would not say that the establishment of the zoning system speeded up competition. We knew by it what each crusher was calculating as the freight rate to each territory, and we knew simply as a matter of calculation what the zoning price was. This zoning price or differential was based on freight rates. That, of course, did not in any way affect any price that we might make for our oil. It was simply a guide.

We were only in competition with the other crushers at times when we want to unload and get out of the market, or something like that. We would then call on or write or telephone to certain accounts to see if we could make sales. On such occasions when we have unloaded we are not bound by any obligation of any kind to maintain or fix or give any price, or to lower the price or to enhance the price. We purposely cut the price when we want to.

Mr. WALSH. I mean, so far as the stability of price is concerned, are there wide variations and fluctuations in that market—

189 flaxseed market?

A. From my experience and from my knowledge of flaxseed it is the slipperiest—excuse the slang—the slipperiest market that we know of or have anything to do with; I think as much so as on any commodity sold in the world.

Q. I read from the pages 29, 30, and 31 of the contract, which was introduced in evidence, as signed, and I find this under the heading "Purposes of the organization" [reading]:

"And, in so far as it may be lawful, to effect the stabilization of the flaxseed market and eliminate the speculative features therein."

Is that what you referred to?

A. Yes; that is quoting the language that I would like to have had at my command.

Recross-examination by Mr. MITCHELL:

Q. But nothing was done along that line, if I get you correctly.

A. It was not successful; no, sir.

HERBERT LESLIE BAUMGARDNER, witness for defendants. I live in Chicago and am, and for the last ten years have been, president of the Holland Core Oil Company, which manufactures core oil, a substitute for linseed oil. I buy from eight to ten thousand barrels of linseed oil per year for the purpose of my business. I have attended to that part of the business for about ten years and have kept in close touch with the linseed-oil market. We try to keep in touch with it daily, because the price of our product is based upon the price of linseed oil. I did not hear of the Armstrong Bureau until long after its formation.

190 In the period of about six of seven years before September 19, 1918, I found a competitive condition of the market, and a spread of prices between the various crushers from whom I obtained quotations. There were oftentimes when the crushers were quoting

the same prices. I obtained quotations from the Kellog, the Midland, the American, Hirst & Begley, and the Goodrich companies. I did not notice any change in the competitive condition of the market after October 1, 1918. We have found it to be the way that various crushers would quote different prices for raw linseed oil in the same day at various times. After October 1, 1918, and up to June, of 1920, we found a spread of from one cent to four cents a gallon. During the last five years our purchases have been made on the recommendation of one of the crushers whose prices we verified from time to time from other crushers. When we did not obtain as favorable treatment from him in the matter of prices as from any other crusher, we bought from the others. The question of service is a consideration to a buyer of linseed oil, as well as price, and that was particularly true during the war.

Cross-examination:

Before the Armstrong Bureau was formed we found fluctuations in prices from time to time as we inquired for them, and we found changes in prices after the bureau was formed. We did not find that the market was somewhat more stable after October 19, 1918.

Our one crusher would not always meet the price of a competitor if it happened to be lower. I would say it was about even. Some times we would get them down to the competitor's price, and then there were times when we could not. I have not noticed any particular variation in the attitude of the crusher during the last two of three years. I did not keep any record of the quotations as I got them and am speaking entirely from my recollection.

191 F. CARLTON SMITH, witness for defendants. I live in Minneapolis, Minnesota, and am manager of the oil and cake department of the Minnesota Linseed Oil Company. I have acted in that capacity for about ten years. Mr. W. A. Ramsay, the president of the company, attended all the meetings of the Armstrong Bureau, but he underwent a serious operation last August and has given very little attention to business since that time.

In receiving the reports from the Armstrong Bureau we acquired accurate information as to market conditions. Whenever Mr. Ramsay was absent I made the prices for the company. We have a capacity of 25,000 bushels of oil per annum, which is very small compared to the other crushers. There was never any attempt on my part at any time to follow the leadership in the market of any other crushers. The making of the prices depends largely upon our stocks, what we have already sold, or what we have for sale, our opinion of the market as to whether it would go up or would go down. It was a matter of personal judgment. The information from the Armstrong Bureau helped us by giving us accurate information as to price conditions, and as to the volume of sales that were being made. Mr. Ramsay never instructed me as to how I ought to determine a price in considering the figures I received from the Armstrong Bureau. I never felt under any obligation to main-

tain a price for any particular time. We might change our prices twice a day, if we felt so inclined, and we have, in fact, done so during the time of the operation of the Bureau. Such rapid changes might have been due to fluctuations in the flaxseed market or to war conditions.

We sometimes cut prices to meet competition when we might want to sell oil. We do our selling through agencies and also directly by telephone, wire, or letter. Our agents wire in to us competitive prices which they hear of. I would not say that either the
192 Armstrong service or the service of our own reports is the quicker, but I think the Armstrong information is the more accurate. It is desirable to get our competitors' changes in prices as quickly as possible so that we can know what the conditions are. They lose value to us unless we get them quickly.

Mr. Ramsay never told me or suggested in any way that the minutes of the Armstrong Bureau did not fully set forth everything that was done at the meetings of the linseed oil crushers, and never stated to me or indicated in any way that prices had been discussed at the meetings.

I never gave any assurance to any of the other crushers as to the maintenance of a price or the retarding of the lowering of any price. We never in any way discussed prices with our competitors.

I think the base price was originally arrived at in Minneapolis on account of the flax, as the supply for the industry at that time originated in the Northwest. That made Minneapolis the nearest manufacturing point to the actual source of supply, which would naturally make the prices at a distance from that base price higher. Later on we had a failure of the flax crop in the Northwest and the source of supply was from the Argentine, which naturally transferred the base to New York. The change was made, as far as my recollection serves me, merely by filing prices with the bureau showing the prices in the different zones. The differentials shown in the zone system are based upon the distance and expense of getting the oil into the zones.

We sell either f. o. b. at the mill or f. o. b. at the buyer's plant. F. o. b. the crusher's plant is most decidedly the more favorable to the crusher, because he is relieved of all responsibility in the matter of transportation. Of course, when we sell f. o. b. the buyer's
193 plant, the freight to there would be in the price. One reason the buyer wishes terms f. o. b. his station is that otherwise the crusher would not be responsible for leakage in transit.

The reports that come from the bureau would show the activity in certain sections, and that information would be of value to us, as we could avoid the inactive zones and go somewhere else to make sales. None of the other crushers ever in any way criticized me for any price I had made at any time. We would not submit to it, for one thing.

Cross-examination:

When we decided to change the price, we made the quotation, notified our agents, and immediately thereafter notified the bureau. Our company joined the Armstrong Bureau to get accurate market information, by which I mean to know what the market conditions were and what prices were.

Q. Well, why did you want to know about the market prices?

A. So we could do business intelligently.

Q. Did you follow the market at all in making your prices?

A. One always has to follow the market when they sell, Mr. Mitchell.

Q. Well, that was my impression.

A. Yes.

Q. I am glad that you have the same one I have.

A. At least I have found it so.

Q. How did you ascertain what the market was then while the bureau was in operation?

A. We got it from the reports.

Q. Through the bureau?

A. Yes.

Q. Yes. What does the market mean? What do you mean when you say the market? Don't you mean the prices that other crushers were selling at?

A. I mean the prices that anybody was selling at, be they crushers or brokers or speculators or anybody else.

Q. Who sells the most of the linseed oil? The crushers?

194 A. The crushers would naturally sell the most of it; yes.

Q. The prices—the crushers determine what the market was?

A. They would determine the market level; yes.

Q. Yes?

A. Of course.

Redirect examination:

The conditions with the smaller crushers are rather peculiar. Ordinarily their stocks are not so tremendous and are not such a weight upon them as compared with the bigger crushers. They do not, therefore, have to unload as quickly, and ordinarily they would not be the first to cut. It would not make any difference where they got the information. They would not cut first, although they are always at liberty to do so. It is a fact that there were times when we had to go below the big crushers in order to get business.

LOUIS M. LEFFINGWELL, witness for defendants. I live in Minneapolis, and am president of the Northern Linseed Oil Company. I have been in that business for thirty-two years. Our determination of the price to charge for oil depends on the price of flax seed, the working cost, and what we get out of the meal. There was no time that I felt obliged to maintain any price for any particular time. I never gave any assurances to any one that I would not reduce a price. I attended all of the meetings of the Linseed Oil Council under the

Armstrong Bureau, and there was never at any time any discussion there as to the prices that the crushers were to charge for their product. The minutes of the meetings, I think, set forth the nature and the substance of the deliberations. I never, directly or indirectly, gave any assurance to any of the other crushers as to any price or as to any change in prices that I would make at any time, and they never gave me any assurances as to any prices which they would make or any changes of prices which they would make. We never talked about prices at all.

195 I ascertained the price conditions in the market through the reports from the bureau and through wires from our brokers. The bureau always sent us a wire on any change in price, but our brokers do not always do that.

Q. Do you sell your product in all zones of the United States?

A. No; we do not.

Q. What zones do you not sell in?

A. We do not sell very much east of the Chicago line.

Q. Why is that?

A. On account of the freight rate being higher, we are not in a position to compete with the eastern mills that crush Argentine seeds, as a usual thing.

Q. Did you have any arrangement or agreement with them——

A. Absolutely none.

Q. As to where you should sell your product?

A. We have to keep out of the market if we can't meet competition. I notice that at certain periods of the year the market is inactive, due simply to supply and demand, and those conditions have prevailed ever since I have been in the business. There was no change whatever during our affiliation with the Armstrong Bureau and there is no way that I know of by which this period of inactivity could be eliminated. I do not know that the resignation of the Spencer-Kellogg Company and the Midland Company in any way affected competition between the crushers.

Before we became affiliated with the Armstrong Bureau I, of course, tried to ascertain the prices at which our competitors were selling their products. One way was through brokers making

196 quotations and having the customer come back and say that somebody, perhaps mentioning the name, had quoted a lower price than ours. The advantage in getting the information from the Armstrong Bureau was that that information was correct and we could rely upon it. There were times when we could not rely on the information received otherwise, and our brokers have at times acknowledged that they made a mistake in advising us on the price. A prospective purchaser will often misrepresent or misstate quotations. I think that procuring information from the Armstrong Bureau had no effect upon competition whatever. It put us in a position where we had information as to what others were doing, which is always of value. We sent the letters as to certain prices quoted or reported to have been quoted by competi-

tors and asking that the subscribers be bulletined by the bureau, because there are always certain buyers of linseed oil who will ask you for the price, and after you have named the price will say: "I have been quoted to day such and such a price," which will be one or two cents lower. We could bulletin the bureau and find out that that man was not telling the truth. It put us in a position thereafter of not placing any confidence in what that man might say. We would naturally incur considerable loss if we followed along the opposite line and placed reliance upon such information.

This is a tabulation taken from the books of my company, which shows the range of prices we paid for flax seed during the period from October 1, 1918, to June 30, 1920.

(Tabulation of flax seed prices marked "Defendants' Exhibit 16.")

Cross-examination:

In establishing our prices, if we want to meet competition and know what others are getting, we have to quote as low
197 as they do, or we would not get the business. So we certainly take account of the prices which the others are making in making our own prices, and we get that information as to the other's prices through the bureau.

We joined the bureau because we believed then, as I would believe now, in cooperation of any kind among industries, in any kind of organization that will tend toward simplifying business dealing in general. I think the same terms all the way through are advantageous to the buyer as well as to the seller. In other words, I believe if one man is charging so much a gallon more for oil in a barrel or half barrel, it would simplify it some for the sellers if they would all charge so much a gallon increase for half a barrel over a barrel price, instead of four or five of them having different ideas about it. For instance, the price of oil might be 60¢ a gallon; that is, in barrels. If you wanted a half barrel of oil I would charge you 65¢ a gallon, or 5¢ over for the half barrel, whereas somebody else would charge 60¢ a gallon plus $1.50 additional. The purchaser would pay the same price, but it would be better for each of us to go along on the same basis, instead of one charging so much a gallon extra and another so much for the half barrel. I think it is an advantage all the way through to have a market uniformity. I do not say as to prices, as prices have nothing to do with it in any way, shape, or manner, so far as joining the bureau is concerned. We did not take that into consideration at all when we joined the bureau and, in fact, I do not know anything about it. I do not know a great deal about our joining the bureau, except that I believed in cooperation and that where you get market information it is of advantage to you whether it is the price or what. It is the same as getting the cost of flaxseed every day from the chamber of commerce. If we did not know that we could not very well do business and compete. The advan-

tage in joining the bureau was that we got correct market
198 information, and by market information I mean all subjects pertaining to the industry that we brought up at these meetings, such as bags and press cloth, and how we operated everything along manufacturing lines. By the term market conditions I mean everything that pertains to the linseed-oil trade.

We could bring up any subject that we wished to. I presume that the ordinary information which we gave and secured through the bureau concerned the making of sales and thereafter reporting those prices to the bureau. The result secured through that exchange of prices was the knowledge in making quotations as to what our competitors had been getting and whether or not we were in line to meet that competition. We could, of course, take account then of what our competitors were getting, when making our own quotations, and could be guided thereby, and that was our purpose in joining the bureau. The only benefits secured through the bureau would be the fact that we would know what the other crushers were doing, how much seed they were crushing, how much oil they were selling, and what prices had been quoted. With that information you naturally can do business to better advantage than if you were not posted to what was going on.

CARPENTER, J. That is a little knowledge of their private business life that you would not have acquired had not you and they belonged to the bureau.

A. That is the idea, your honor.

If you knew a certain amount of flaxseed had been crushed this year and a certain amount of linseed oil had been bought, you would be in a better position to know what balance there still was to be marketed. I would not say that the price was the principal proposition in the work of the bureau. We take everything
199 in general, prices being included along with other information.

The great bulk of the information we exchanged through the bureau related to the amount of the sales, the different parts of the country where those sales were made, as well as prices. I do not think there was any effect of this interchange of price information through the bureau, except that it would put us in a position where we would know whether we were meeting competition or not. I do not know that it had any effect on the industry as a whole.

Redirect examination.

Q. You testified when you got this information, in fixing your prices, you would be guided by the prices made by your competitors.

A. More or less.

Q. Did not that condition exist before you went into the bureau?

A. If we could learn those prices from our competitors through our own connections, we would be guided just the same. It had no effect—no definite effect.

CARPENTER, J. Suppose there were just six oil crushers in the country and none of them belonged to a bureau of this sort. They might have some difficulty in knowing of the market conditions?

A. Certainly.

CARPENTER, J. Then, they all joined the bureau. Everybody opens his books and heart to everybody else, what would be the natural result to them in the oil business, and what would be the effect on the consuming public? What I want to find out is—whether, if you get an advantage on something, where is the detriment? Where is the other side of the measure? You are getting something now that must come out of something or somebody.

A. The only advantage we get is that the better posted we are on the business, on the conditions existing as to the amount of raw
200 material, the manufactured material, the better position we are in to know whether to sell or not.

CARPENTER, J. Exactly. Now, against whom does that advantage run?

A. I do not know that. The buyer of linseed oil may buy his oil just as cheap on the average all the year along, if we are in a better position to know what we are doing than if we are not. He may strike some average. Sometimes we may sell cheaper and lose money.

Q. Is it not a fact that where there is blind competition, the competitors may be at the disadvantage?

A. Certainly.

Q. And that the ultimate consumer, then, also suffers?

A. Certainly.

Recross-examination:

If we are in a better position to know what we can make oil for and sell it at we are going to sell as near cost price as we can with a little profit, and if we are not in a position to know the conditions existing we are naturally going to ask a little bit more in order to be protected in case the market goes the wrong way. In that event, I think, the buyer of the oil would have to pay more for it. I would not say that in the absence of such a system as obtained under the bureau we were likely to sell our oil at a higher price. It depends upon conditions. I believe the disadvantage to the ultimate consumer in blind competition lies in the fact that if a crusher is posted on conditions he is bound to sell his oil a little bit closer to cost price than if he is not posted.

Q. So that it comes back to what I stated a moment ago, that the force of your statement is—when the crusher is posted on conditions, and that means as he is posted through the bureau, I take it that he is likely to sell his oil a little cheaper than he might otherwise. Is that your answer?

201 A. He would be in a better position to know what he was doing.

Q. Won't you answer my question?

A. No, I can not answer that; I do not know whether he would. It depends upon conditions at the time. He might be in a position where he would not want to sell oil at all at that time.

Q. Then, you are not asserting that the result of this exchange of information was to bring down the prices?

A. I am not making any such statement. No, sir, that is not my intention.

FEDERICK K. QUINE, witness for defendants. I live in New York and am sales manager of the American Linseed Oil Company and have acted in that capacity about nine years. The company manufactures linseed oil, cake and meal, and in addition has many branches to the business. I would say that the American is the third largest crusher in the industry and that the largest are the Spencer-Kellogg, and Midland companies. We joined the Linseed Council at its inception in October, 1918, and I generally attended its meetings under the Armstrong Bureau.

Out company joined the bureau to afford us the advantage of statistical information with respect to the industry and the exchange of ideas with respect to operation, and possibily, other matters that go to make up our business. There was at no time any hope or intention upon our part to be able to get together with the other crushers upon the matter of prices. We never at any time felt under obligation to maintain the prices which were filed with the bureau for any length of time, and none of the other crushers ever gave us any such assurances that they would maintain any prices for any length of time or that they would advance any prices or lower any prices. When we made our quotations to the bureau, they
202 stood, unless we changen them, but we were at liberty to change them at any time that we saw fit. We, as a matter of fact, made actual sales before reporting to the bureau, reporting the change of price to the bureau just the same and when we made a quotation which was at variance with our filed price, as we did when we made a sale which was at variance with our filed price.

As far as our company was concerned we used the information which we received from the bureau in checking up the various reports which we got from our field agents. We have a great many resident salaried managers at the large buying centers in this country. The advantage of getting the information from the bureau was that we considered it reliable and a perfect check against the reports which came to us daily or otherwise from our various men. Reports from the men were not always reliable, and we have to take them for what they are worth.

In making our own prices we first took into consideration the cost of the raw material, the expense of manufacture, what we could get for our by-product, the cake or meal, and the result was the cost of linseed oil to us. If we could get cost, we would get it and a profit, if we could. The statistics from the bureau were not of very great importance to us in making prices to the trade because we were making our own prices. We figured our own cost and we buy our own raw material. We many times cut under the prices that were quoted by our competitors, our position in that respect depending entirely upon the ordinary market position with relation to the

amount of oil which we had on hand for sale, or the amount of oil we had for future delivery. We might not care to sell at lower than the price which we were quoting to-day, and the situation might change day after to-morrow, depending upon the price of raw material.

We have mills in New York, Philadelphia, Buffalo, Duluth, Chicago, Saint Paul, Sioux City, Portland, Oregon, and San Francisco.

There is no open option market for linseed oil in this
203 country, where future contracts can be bought, as in the flaxseed or grain markets. Linseed oil is a customer business and it is marketed by going to the trade and solociting orders.

I would not say there was much difference in the quickness of getting information through our representatives and through the Armstrong Bureau. I do not think the Armstrong Bureau service was as raipid in the early days as it was later.

In my judgment, and experience, this system did not in the slightest degree have any tendency to fix prices. From my knowledge I did not observe any attitude or disposition upon the part of any of the crushers in making prices to follow the leadership of any other crusher.

It would depend upon the time of year whether or not there would be any consistency in quotations of spot oil and future oil. For instance, some time between the 15th of May and the 15th of June we will plant a flax seed crop in this country. Based on the acreage, flax seed options for next fall may be considerably cheaper than the Case Market, and oil for October or September would sell at a much lower price than the spot oil. I think that the consumption of linseed oil in this country is normally 75,000,000 gallons. I do not know that it has increased in the last three or four years. In fact, I think the consumption last year and the year before was a little less, perhaps, than it was in previous years. The production of American flax seed has ranged in the last nine years from 7,000,000 bushels to 34,000,000 bushels. In the 1912–1913 crop year I think we secured in this country somewhere in the neighborhood of 34,000,000 bushels. This year our crop will probably run a little under 11,000,000 bushels. The year before last, I think, our crop was in the neighborhood of 7,000,000 bushels.

None of the crushers have at any time taken exception to any price which I made for linseed oil, or have criticized me at all for making any price that I saw fit.

204 We get the seed which we crush from the American Northwest, from Canada and from Argentina. This year half of it will come from Argentina and the other half from Canada and the American Northwest.

As I recall it, the demand for linseed oil, particularly for spot oil, was very good at the time when prices were high in 1919.

Since my knowledge, I think the terms of sale for linseed oil have been 30 days net, and 1% off for cash in 10 days. The bureau sug-

ested, and we attempted to put in a change of terms under the uspices, or while we operated under the auspices of the bureau. The change we attempted to make was from 30 days net and 1% ff for cash in ten days, to net cash terms. This was attempted, but bandoned, and I do not think the terms were at any time uniersally applied. It was impossible to do so. My company has sed trade acceptances, and the bureau service did not change that n any way. The phraseology of our terms is "30 days, trade acceptances net." We have had that on our invoices since early in 1917 and perhaps before that.

A good many things happened at the meetings of the Linseed Oil Council, but we had a regular course of business. We were called there for the discussion of certain specific questions which were docketed usually a week or two before the day of the meeting. There was never any discussion with reference to coming together upon the basis of prices which were to be charged. The minutes of the meetings would be a reflection of the discussion as to the subjects which had been docketed, and as to other subjects for general discussion, which might have been brought up at the meeting for action.

So far as we were concerned, the withdrawal of the Spencer-Kellogg Company and the Midland Company did not change the operation of our business at all.

Usually, during the hot summer months, July and August, business is not so very brisk, and the same is true from the first of
205 December until after the holidays. I do not know that there is any particular change from the ordinary during these periods, except that during the active periods there might be more disposition for people to compete a little stronger in the prices that they made.

Our principal office is in New York, in zone No. 3. The differentials defined by the Armstrong Council are simply a definition of a custom or practice that has existed ever since I knew anything about the linseed oil business. The adoption of the zones did not make any change in the method of our quoting prices to our trade. The base price, except when the Argentine seed is on a parity or under a parity with Minneapolis, is with Minneapolis, as that is where we usually get our largest supply of raw material. As I recall it, there was no bureau or council action on the question of changing the base from Minneapolis to New York, but it was done by individual action on account of the crop failure in this country and the necessity of getting the supply from Argentina. A purchaser can always buy from us f. o. b. his place or f. o. b. our mill.

Cross-examination:

Q. Will you please explain why a sale which you made in New York near the place where you produce the oil would take a higher price under this resolution than the sale of the same oil shipped over into Ohio, on which you had paid freight?

A. If we were operating a mill in New York on a basis of flaxseed transported and bought from the Minneapolis or Duluth market, the flaxseed would cost us freight to New York, and the oil would cost us transportation back, so that there was a necessity in order to get our cost out of it to have that extra cent put on. It was there; it cost us that.

206 We will say, for instance, that we did not have any necessity of going to the Argentine for flaxseed, as there was enough produced in this country for our needs. Then, in order to run our New York mill where we had trade, we transported flaxseed from Duluth to New York, crushed it into oil and resol the oil at that point. It costs money to take that flaxseed from Minneapolis to New York, so it costs more to crush that same flaxseed in New York than it would have cost in Minneapolis. The initial cost of the flaxseed made into oil was Minneapolis. Now, we were certainly entitled to a higher price in transporting that oil from Minneapolis to—say—Philadelphia, than to transport it from Minneapolis to Cincinnati. But, if we transported flaxseed to New York instead of oil, we were doing exactly the same thing—our cost of producing the oil in New Work was therefore relatively high.

Q. Having made the oil, now go on and explain the second part of it. Having made the oil, why should you charge more for it, selling it nearby than you should when you sell it far away?

A. If we sell any oil in No. 2 zone, we would ship it from Saint Paul and not from New York.

I would like to recall my statement that we sometimes sold oil into Ohio from New York because we would not deliver it there from New York. If we could help it, we would never sell any oil manufactured in zone 3 outside of that zone. I do not remember any cases where we ever delivered oil manufactured in New York outside of zone No. 3, except during the war when we were short and had no oil anywhere except at New York. When I say I sell oil in New York for delivery in Ohio, I mean that I am the general sales manager and sell all the oil, but it would be for delivery from Saint Paul. Buffalo is in zone No. 2 and is near the line. We sell from Buffalo into zone 3 to points where the freight rate would be no

207 different than a sale into zone 2, and we have charged a higher price because the differential is higher in zone 3 than in zone 2. There is, however, still an added charge for transportation further eastward on all the seed and oil.

Q. You could make sales from Buffalo into zone 2, in certain points in zone 2, where the freight rate would be no higher or no different from sales into certain points in zone 3?

A. Yes, sir.

Q. Now, then, on those sales you would have to charge, although the freight rate was the same—you would have to charge a higher price on the sale into zone 3 than you would on the sale into zone 2?

A. Yes.

Q. Precisely. How is that justified?

A. Well, that has been a common custom of the trade for two, three, or four years since I have been in it.

We had a much higher differential before the bureau than that which existed during the bureau, and there is nothing new in the map, although we did not have a map before. I personally did not have to draw a map to know what the lines of demarcation were. They were practically the same before as in the zones adopted by the bureau, although there may be some slight deviations. But, after all, zones do not make any particular difference as to the making of the prices. They were, however, generally adhered to and were a custom of the trade. The resolution simply defined a common practice.

The information received from the bureau as to prices was of no particular benefit from my own personal standpoint. It only made information accurate which we got pretty closely before. All we gained from it was to check up our own men, and the information which we got from our various agencies with respect to sales and the prices at which oil was selling in the various zones, which was valuable. To me as sales manager this information was
208 of interest because it did give me a line on what my competitors were doing in any certain territory. I am, of course, interested in having my men get their proportion of business.

There are times during the advent of a new crop of flaxseed when the spot price differs very materially from the future price. The crop year starts in September. We would quote September–April, we will say, based on the price of the new crop of flaxseed, while August would remain in the spot or near-by situation. Now, if a competitor had filed a price for September, October, November, December, and it stood there, and my men in Indianapolis wrote me that a competitor was including August in a price which he had filed for September, I would want to know whether he was selling for August and September, instead of September–December at that price. I would just want to be posted on what was going on, for information, and I do not think it would have any bearing on my price. I would just want to know what the competitor's attitude was with respect to the market. We always get that information and we like to have it.

Q. Very well. I will let that go. I will ask you whether you recall writing a letter on January 15, 1920, to the bureau, wherein you state that "on May 7th, 1919, we asked you to advise subscribers that we were maintaining a differential of three cents per gallon in zone 3 for oil in quantities of less than five-barrel lots over our warehouse price; in other words, our warehouse price has been three cents over our carload price; and this filing represented a price of three cents a gallon for lots of less than five barrels."

Then you went on to say:

"We find that the only subscriber, according to our records, who also filed a similar price, was the National Lead Company; and we

now want to notify the subscribers that we have rescinded this particular action."

Now, that shows that you filed that price, and you found that none of the others came up, and then you rescinded?

A. Yes, sir.

209 Q. And then you rescinded your filing?

A. Yes, sir.

Q. Precisely. Now, why? Because you did not want to stand alone in that regard?

A. Well, we wanted to be in position to meet competition, of course, at the lower price.

Q. And then didn't the bureau return that letter to you, with a letter—or, return your letter with a letter from one of their legal advisers in which they said—they criticized your letter and said, "We would suggest that you omit your reference to the action of other subscribers in this matter, stating merely that you have rescinded your action in giving your differential as it stands at the present time"?

A. I do not recall that letter.

Q. You do not recall that?

A. No, sir.

Q. So that it would stand as an individual letter—rather than—cutting out the reference to what your competitors were doing, which you had inadvertently made?

(No answer.)

Q. And then didn't you reply and say that "We think it fair and right to say that we are withdrawing our differential as a matter of record only, as we have determined that if it would also be proper for us to file our price on 1 to 4 barrel lots at all other distributing points"?

A. Leaving us liberty of action.

Q. That is, you filed that as a matter of record only—simply for the benefit of your competitors?

A. Well——

Q. But you did not propose to—it was not a real withdrawal?

A. It left us liberty of action.

Q. Yes.

A. We assumed to do what we pleased with respect to the price.

Q. Well, I think that letter, the last letter, was returned by the bureau, and they took exception to that, too?

210 A. Very likely.

Q. Is this a fact, as you regard it, that in the operations of the bureau your obligation with reference to your quotations, filing them through the bureau, and adhering to them, was only this—that you should, having filed a price, that you should not deviate from that price without notifying the bureau? Is that correct?

A. No. We would not deviate from that price unless we afterward notified them of it.

Q. Immediately thereafter?
A. Yes.
Q. Notified them?
A. Yes, sir.
Q. That was your obligation?
A. Oh, yes.

Direct examination by Mr. CONGLESTON:

Q. Mr. Quine, you were questioned regarding this zone proposition. Now, as I understand from your testimony, you have a mill at Minneapolis and another mill at St. Paul?
A. No. One at St. Paul.
Q. One at St. Paul, one at Buffalo, and one at New York; is that right?
A. Yes, sir.
Q. Now, in manufacturing your linseed oil from American seed at Minneapolis you have been laying down that seed—or at St. Paul—you can lay down that seed at St. Paul cheaper than you can at Buffalo, can you not?
A. Yes, sir.
Q. And you can lay that seed down at Buffalo cheaper than you can at New York?
A. Yes, sir.
Q. So that your cost of production in Buffalo is greater than your cost of production in St. Paul?
A. Yes, sir.
Q. And your cost of production in New York is greater than your cost of production at Buffalo?
A. Yes, sir.
Q. And there are other crushers in New York City besides the American Linseed Oil Company?
A. Yes, sir.
Q. Who are those crushers?
211 A. Midland Linseed Products, Spencer-Kellog Company, and the National Lead Company.
Q. There are other crushers in Buffalo besides the American Linseed Company?
A. Yes, sir.
Q. Who are they?
A. Spencer-Kellog Company, Archer-Daniels Company, and Mann Bros. Company.
Q. And there are other crushers in St. Paul or Minneapolis—which I understand is contiguous to St. Paul?
A. Yes, sir.
Q. Now, if you were to sell oil from your Buffalo plant in St. Paul, you would have to meet the competition of the other crushers in Minneapolis, wouldn't you?
A. Yes, sir.
Q. And your customers at St. Paul would not pay you more than the Minneapolis price, whether you crushed that seed at Buffalo or whether you crushed it at New York?

A. No, sir.

Q. So that the base price, to which reference has been made, means the lowest average price at which crushers in this country crushing American seed are able to produce that particular linseed oil?

A. Yes, sir.

Q. Is that right?

A. Yes, sir; exactly so.

Q. Now, are you familiar, Mr. Quine, with markets for other commodities besides linseed oil—wheat, for instance? Do you read the newspapers, about wheat quotations?

A. Well, occasionally—only for the range with reference to the probable range of flaxseed, which moves usually in sympathy with wheat.

Q. Well, you know that there is an open wheat market at Kansas City, do you?

A. I know that there is one there.

Q. And one at Chicago?

A. Yes, sir.

Q. And one at New York?

A. Yes, sir.

Q. And do you know in general the Kansas City price is less than the Chicago price?

212 A. I know that to be a fact, although I could not specifically testify to it.

Q. Do you know that the Chicago price is less than the New York price?

A. Yes, sir.

Q. And do you know that that same condition obtains with regard to the manufactured product—that is, flour?

A. I assume so. I could not testify to that.

Q. So that if flour, ground in New York City, were sold in Kansas City, the New York flour grinder would have to meet the Kansas City price?

A. No doubt.

Q. So that in the intermediate zones, take in regard to the intermediate zones—that is, the places between St. Paul and Buffalo—

(Question withdrawn.)

Q. Mr. Quine, in quoting prices in various zones, you had to meet competition, did you not, in those zones?

A. In order to do business; yes, sir.

Q. And the differentials in the various zones are based upon freight rates from Minneapolis or St. Paul or the producing mills, having relation to the freights on flaxseed, as well as the freights on the completed linseed oil?

A. Exactly.

Mr. MITCHELL. Pardon me. I think counsel is being too much leading. I do not want to interrupt, but it is practically counsel testifying. I just wish he could restrain himself.

The COURT. If the witness can remember the question he may answer it. Read it.

(Question and answer read.)

The COURT. What is the answer?

A. Yes.

The COURT. Is that all with this witness?

Mr. CONGLETON. No, your honor.

Q. Does the differentials brought about by this zoning system affect the price to the buyer of the linseed oil in any way?

A. Do you mean the man to whom we sell?

Q. Yes.

A. Does it affect it in any way?

Q. Does it affect the price; does it arbitrarily affect the price to the buyer.

213 A. Why, if a man in Chicago—I mean if a man in Cincinnati, if there was a customer in Cincinnati whom I wished badly enough to sell 100,000 gallons of linseed oil, I think possibly I could cut the price two cents a gallon to him to make the sale.

Q. Take this case: Suppose oil was selling in Cincinnati, that is, your competitors were quoting oil in Cincinnati at seventy cents a gallon, including the differentials—Cincinnati, I think, is in zone 2, is it not?

A. Yes, sir.

Q. Supposing they were quoting in zone 2 a seventy cents a gallon——

The COURT. Net to the purchaser.

Mr. CONGLETON. Net to the purchaser. That was a good price for linseed oil; would that in any way prevent you from making a price of 69 cents to get the business?

A. Not at all.

The COURT. And if you could get 75 cents a gallon——

A. I would get it.

Q. From a responsible customer you would even take that?

A. Yes, sir; but that would not affect the charge that was made for transportation, from St. Paul to Cincinnati, if we are transporting it from St. Paul to Cincinnati. If we transported it——

Mr. MITCHELL. If your honor please, I understand from counsel that he has in mind calling on behalf a dozen more buyers of linseed oil. It just occurred to me that we might shorten the proceedings. I would be willing to agree that they will testify the same as the others he has already produced.

Mr. WALSH. It is understood that the defendants offer to present five witnesses here, who are buyers, and that said witnesses will testify to a state of facts substantially as testified by the buyers heretofore called at this trial by the defendants.

Mr. MITCHELL. Yes; we agree to that.

214 GEORGE VAIL, witness for defendants. I am a manufacturer's agent, living in Chicago and selling linseed oil for the Midland Linseed Products Company. I recall going with Mr. Warner, the president of the company, to see Mr. Hoch, the linseed-oil purchasing agent of Sears, Roebuck & Company. That was, I think, in the fall of 1919. We tried to get some of the business of that company and Mr. Hoch said there was no price we could make that would be attractive, as they had their arrangements made and there was nothing that could be done that would be of any interest

to them at all. Mr. Warner said he would be willing to sell at 5¢ or 10¢ a gallon under the market, to get started with them, and Mr. Hoch said they had their arrangements made with the crushers and that there was nothing—no price that could be made that would be of interest to him.

RALPH B. BOLTON, witness for defendants. I live in Des Moines and am president of the Ankeney Linseed Manufacturing Company. My company has a ten-press mill and can crush about 400,000 bushels a year. It is one of the smallest mills concerned in this suit, the only other mill of about the same size being that of the Northern Company.

I used the market information received from the Armstrong Bureau and had it compiled so as to gauge the movement of oil and the territory into which it went in order to lay out the program of our activities in the sale of oil and in the purchase of flax. We have a territory that is advantageous within a limited radius and we usually sell our oil in Iowa, Missouri, Kansas, Nebraska, and Colorado. I never gave any of the other crushers any assurance that I would not sell linseed oil without further notice for less than the price which I had already indicated, and none of the other crushers ever gave me any such assurance through the bureau or other-
215 wise. I never felt under any obligation to and never did follow the leadership of the other crushers in the making of prices. Whenever I saw a profit on the reproductive value of the seed I fixed a price to move the oil. I have at times cut below the prices filed by the other crushers. I attended all but three of the meetings of the Linseed Oil Crushers' Council, and there was no talk at any of those meetings of prices which any of the crushers might make, and no understanding as to what prices might be charged.

Cross-examination:

The prices came along from the Armstrong Bureau, as well as information as to the movement of the oil. The prices did not interest me because I could get information through our own sources, but I could not get information as to oil movements through any sources other than the bureau. The information as to prices was nothing new to me, as I knew what was going on in our territory all the time and would never be more than two or three hours behind any change of prices, however I might get the information. I never attempted to follow the market. I followed the flax market. I was out to sell oil at a profit wherever I could do so on the flax market. I had no idea what any competitor was going to charge at the time our buyers got our prices, as the prices could change in 10 minutes.

I do not recall whether the bureau remonstrated with me along about September 11, 1919, for making low prices, but they may have. I spend about 30 minutes a day at the plant. I handle no correspondence whatever. I direct the policy of the company, its trade, and its finances, but when it comes to details I pay no attention to them. If they called us down as to any methods of doing business, it escaped

my attention. We would have resented it if it had come to our attention, as we were running our own business.

216 CHARLES G. NELSON, witness for defendants. I live in Red Wing, Minnesota, and am connected with the Red Wing Linseed Oil Company, crushers of linseed oil in that place. I attended most of the meetings of the Linseed Oil Crushers' Council. There was never in the meetings or out of the meetings when I came to Chicago or other places where the meetings were held, any discussion of prices which the crushers should make at any time. I never felt under any obligation to follow the market of any other crushers. When I got the information from the bureau as to the prices made by other crushers I filed it for our guidance and information. I never furnished any assurance to any other crusher that I would not sell linseed oil without further notice for less than the prices which I had indicated to the others through the bureau, and none of the other crushers through the bureau or otherwise gave me any such assurance that they would maintain prices for any particular time or that I would not encounter competition. The zoning system did not in any way change our system of quoting prices.

CHARLES T. NOLAN, witness for defendants. I live in New York and am manager of the flaxseed and linseed oil and cake department of the National Lead Company. We accepted the information received from the Armstrong Bureau with reference to prices of competitors as reliable and authentic market information. We regard the other information received from the bureau as a supply of the general knowledge regarding the industry, which is the best and most we can get and something we had not been getting before. It makes us feel that we are very much more intelligent with regard to the industry as a whole, the volume of business, the location of business, and so on.

217 I attended all the meetings of the Linseed Council. There was never any discussion of the prices which any of the crushers should make at any time and no intimation by any one as to the change any one should make at any time, and except as the zones indicated differentials, there was no discussion of prices which any one should make in any particular zone and no division of territory with reference to the sale of our products. The zoning system did not in any way change our method of selling linseed oil. We did not compete in selling it except in a very restricted area in the East. We sell chiefly in zone 3 and also go into Richmond and along the Atlantic coast where we have coastwise steamship transportation.

We depend entirely upon the cheapest flaxseed market for our supply of flaxseed laid down at our mills. The National Lead Company consumes linseed oil in the manufacture of lead. In that capacity the information referred to was of very considerable value for our general intelligence to supply agents in the country, both as to raw materials and finished products.

None of the other crushers ever furnished me any assurance that they or any of them would not sell linseed oil without further notice for less than the price which they had indicated to the bureau, and I never gave them any such assurance, and never felt under any obligation at any time to make a price relative to any price which any other crusher had quoted.

I purchased about 35,000 barrels of linseed oil a year for the company and the company crushes about 70,000 barrels and consumes about 50,000 or 55,000 barrels. As a large consumer of linseed oil, we would be interested in any plan that would lower prices to the point, and only to the point, where it would not discourage the producers of flaxseed in the United States and Canada. We would not at any time wish to see the market level of prices in this country reach the low point where it would have a tendency to curtail the production of flaxseed and thereby affect our industry and the consumers of our products. I am chairman of the Linseed Oil Consumers' Flax Seed Development Committee, serving several hundred consumers, and as such I have endeavored to keep posted and informed on conditions, particularly with respect to the production of flaxseed.

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In my purchases of linseed oil I find a variation of prices right along. I have been with the National Lead Company for twenty-one years, and have been buying the oil for them for fifteen or sixteen years. During that time it has been my experience to find both fluctuation and spread in prices. I believe in the last two or three years the spreads have been even wider than they were previously. I certainly know that to be the case with regard to the price fluctuations. There is a fundamental reason for that. This country reached its peak of production of flaxseed in 1908, and in those days it sold from $1.35 down to as low as 91¢ per bushel over a range of quite a few years. It follows, then, that with the production of flaxseed on a basis of $1.00 or $1.50 a bushel you will likely experience fewer fluctuations than when the flaxseed market ranges from $2.50 to $6.00 a bushel, as has been the case in the last few years.

Cross-examination:

Our purpose in joining the Armstrong Bureau was to acquire statistical information that would cover the volume of current business done by all the crushers, the quantity of flaxseed in the country in their possession, the quantity of linseed oil on hand and sold, and such general information as would guide us in the conduct of our individual business, both as a producer and seller of linseed oil and as a buyer and consumer of linseed oil. As to prices, I would say that we seldom market our linseed oil in quantities as large as a carload, although upon one or two occasions in the last ten or fifteen years we have sold as much as a thousand barrels in one transaction for future delivery. Our business is nearly 90% spot delivery. The price information received through the Arm-

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strong Bureau—that is, the prices filed by the other members of the council—were to guide us to a certain extent in determining what prices we would make at which to sell our linseed oil, as well as other basic principles and rules. It did so, for this reason. We realized that if we maintained our price any great length of time at a level below the price information we got, we could not supply the demand and would not have any oil on hand for more than a few days. On the other hand, if we maintained our prices at a level above this price information which we got, we probably could not run our mills long, as we would accumulate a stock beyond our ability to store it, and we would not care to do that at any rate. We would be governed by the information received to the same extent as if we had received price information from other sources. We would aim to have our prices at such a level as to dispose of our product.

We regarded the information which came to us from the Armstrong Bureau as authentic, and during that time, and before, and now, we have regarded the information coming from other sources as hearsay, less reliable, and certainly unauthentic, and we have appreciated that the members of the council had put themselves under obligations to tell the truth and report correctly. I do not know that I am competent to say what was the effect on the linseed oil industry as a whole of this interchange of information. I am only speaking now for ourselves. I imagine that we went to bed with rather a more peaceful mind than in previous days. We had information as regards conditions of the industry, and when I say information received, I mean not only information about the filing of prices, but also the statistics that the contract calls for, and I think, possibly some were furnished and received that are not in the contract. I believe we were all more intelligent
220 during the lifetime of the council or when it was functioning than was the case before with the industry in general. That includes the information as to prices, as you know we could not exclude that, if it came to our notice. We could go to bed and sleep more peacefully, as I expressed it, having that information as to prices because we felt that we were more reliably informed as to conditions than we had been prior to that.

I would say that there was more harmony than there was previous to the formation of the bureau, although I do not know whether I was personally at odds with any of my fellow-crushers. I was not, that I know of. More harmony between the crushers would follow, if they met and had meetings more or less regularly, as they were doing during that time. I do not know whether or not that was one of the purposes of the organization, but it seemed to obtain during that time.

Redirect examination:

So far as we were able to observe, the resignation of the Archer-Daniels and Midland Companies did not in any way effect the conditions of competition.

Q. The fluctuations which obtained previously to the formation of the bureau, were those somewhat reduced during the operation of that bureau?

A. No; I think, on the contrary, the fluctuations were very much wider during the operation of the bureau. As I explained, we had a level of raw material prices that were double, treble and even five times, six times, as high as they were years back. That does not apply, however, to the time immediately preceding the formation of the bureau, the bureau operations, because we then had a high level of prices.

A. Apart from those extraordinary conditions, then, as to the flaxseed market, was it not the tendency of this interchange of information to possibly reduce somewhat the fluctuations which might otherwise have obtained?

221 A. Well, we had no conditions that would admit of proof of that statement.

Q. Based upon your knowledge of the industry, wouldn't that have a tendency, wouldn't that be the tendency of this interchange of prices, to perhaps reduce the fluctuations somewhat which might otherwise obtain?

A. No, for the reason that the fluctuations originate with the raw material end of the business, and as a matter of fact Providence has about 75 per cent of the responsibility of that, and I think human activities are 25 per cent, that is the speculative end. The production of flaxseed and the weather and transportation, all sorts of conditions that develop, really in my mind—if it is my opinion you are asking for?

Q. Yes.

A. Are responsible for a far greater part of the fluctuations in the flaxseed market than any human activities.

Q. That is from time to time?

A. Almost all the time.

Q. The fluctuations you speak of from time to time?

A. I mean all the time, because if it is not true in this country it is true in some other parts of the world. That is, while we are harvesting flaxseed over here they are marketing it somewhere else, and the market is on an international level always.

Q. Take the last of August, 1919, when I think the records will show that all the crushers in this bureau had filed a price of, I think it was, two dollars and twenty cents. Let us assume it was two dollars and twenty cents at that time.

A. Yes.

Q. And there was a uniformity in their filed prices at that time, that it obtained for a period of a month or so, and they were all—they had filed those prices with the agreement that as soon as they changed, notice would be sent through the bureau to all of the crushers——

Mr. WALSH. Wait a minute. We object to the question, because there is no evidence here and it does not appear in any of the

charts that at any time during this entire period the price was uniform for anywhere near a month at a time.

Mr. MITCHELL. Well, then, say it was for two weeks. I take
222 exception to that statement, but to save argument, say that it had been uniform for two weeks in that way and you knew that this same price had been filed by all the crushers, you had filed it, wouldn't that have a tendency to keep that price possibly in effect a little longer than if you had not filed those prices through the bureau?

A. My recollection of that particular period you are speaking of is that the crops in the Northwest were burning up or partially burnt up. The new crop had been sown in the spring or early summer, and there were transportation conditions that had seriously affected the supply of linseed, or flaxseed, to the growers in the United States. I recall distinctly that during several months in the early part of 1919 there was a railroad strike in the Argentine that practically shut off the exportation of linseed down there for nearly three months, and I have another—and I also recall conditions in the Argentine later, during the summer, that made it difficult for us to acquire supplies of linseed. In the meantime, we had a serious crop condition develop in the Northwest, both in Canada and the United States, and if the price level of $2.20 or thereabouts was stationary, I don't recall that it was, it undoubtedly was due to an uncertainty in the minds of the people in the industry as to what was going to develop next. Now, I do not know anything about the uniformity, but if there was a stationary price I can see why it should have been.

Q. Yes. Well, now, I don't think that is an answer to my question. At any given time, when there was a uniform price filed by all the members of the bureau——

A. Yes.

Q. And you knew that that was the case and it happened from time to time, the record shows that, that is true?

A. Yes.

Q. The fact that that uniform price was on file with the bureau, didn't that have a tendency to maintain the price in effect on actual sales, perhaps a little longer than it otherwise might have obtained?

A. I don't believe so.

223 Q. You don't believe that it did?

A. No, I believe that there must have been other influencing factors. The season itself would——

Q. That fact in itself would have not tendency——

A. I don't believe so.

RAYMOND MONTGOMERY, witness for defendants. I live in Chicago and am connected with the Armstrong Bureau of Related Industries and ever since this suit was filed I have been checking up the records and making computations.

(Counsel for defendants, at this point, produced a certain document, which was marked as "Defendants' Exhibit 17," for identification, and shown to the witness.)

Q. I show you Defendants' Exhibit 17, for identification, and ask you to tell the court what it is?

A. This is a record of price changes, showing the hour at which the telegrams were filed changing the price which brought a uniform price; that is, those periods when the prices became uniform; that is, the hours at which each subscriber filed his price, to make it uniform with the others, so that it finally became uniform, as shown on this chart.

This is not one we checked with Mr. Terry. We made a similar one with Mr. Terry, but to this one has been added the quotations of the other subscribers; and that just showed the changes alone. This shows, in addition, the price which the other subscribers were quoting at each hour.

(Record of changes in prices is marked "Defendants' Exhibit 17.")

I am familar with the chart "32 years of linseed oil prices." This chart is based on that table and contains for each year of that table the high and low prices quoted for raw linseed oil f. o. b. Chicago; that is, the difference between the high price and the low price for each month of that period. The height of the black marks indicates the spread.

(Chart of spread between high and lower prices is marked "Defendants' Exhibit 38.")

224 This chart represents for each day of the period during which the crushers were connected with the Armstrong Bureau the high and low price for spot oil and the monthly high and low price for future oil. The solid back line indicates the spot oil and the dotted blue line the future oil. The chart was made from the records in our possession of the quotations made by the crushers.

(Chart of spread between high and low prices is marked "Defendants' Exhibits 18.")

The WITNESS. That has been O.K'd by Mr. Terry.

W. J. TOMPKINS, witness for defendants. My home is Chicago, Illinois, and my occupation is traffic counsellor—traffic and transportation combined about forty-nine years; with the Pennsylvania Railroad about twenty-one years; and with industrial organizations balance of the time.

I studied the zone map (Government Exhibit 5). It is customary for some organizations throughout the country to sell on a zone basis, as for instance the Steel Valve Manufacturers' Association and the Salt Producers' Association.

The zoning process generally, as I have understood, is that it simplifies the method of distribution. Take for instance, a base point which usually is, from a transportation point of view, the determining factor, and making that the base point, and then radiating out from that various territories or zones based on differentials or arbitraries over the base point or base zone.

Q. And is the railroad rate in every case determined by the distance of the particular destination from the point of origin?

A. Not by any means.

Q. What other determining features are there in the making of railroad rates?

A. The cost of operation, of course, entering first; the service to be performed, the value of that service to the shipper; and the volume of business moving, which is a very large factor, the
225 commission having said in many opinions that the volume of business determines in a very large measure the measure of compensation that the carrier shall receive. The competitive conditions are another very distinct feature.

Q. Are the competitive conditions an important feature——

A. Most important.

Q. In determining rates?

A. Very important; yes, sir. They have recognized that, if I may state, in the coal cases. They have taken the distribution from the large coal areas of production, and they zoned that into three zones with two or three subzones; they are known generally as the Outer Crescent, the Inner Crescent, and the Ohio fields. They then also, in addition to that, zoned the points of destination, and have determined the rates entirely apart from the mileage, but according entirely to the competitive conditions existing, the ability of the railroads to move the freights, and the general flow of traffic. There are other cases that I may say I could mention. The entire rate fabric of the country between the Atlantic and the Pacific Oceans is zoned and approved by the Interstate Commerce Commission, in the matter of the transcontinental business, both east and westbound. The percentage, the rates, both in class and commodity rates, are zoned and approved by the Interstate Commerce Commission in the movement of all business both east and westbound from the Atlantic coast to Chicago and to the Mississippi River.

Q. In your work as advisor in traffic matters to various industrial concerns, what can you say about selling cost in territories of small density of population?

A. The selling cost must, of course, be based upon the cost of getting to the trade, not only through advertising mediums, but through travelling salesmen. The expense of the travelling salesmen is in a very large measure one of transportation, and cuts a considerable figure in the total cost—selling cost.

Q. In other zoning plans with which you are familiar, Mr. Tompkins, has that question of traffic or that question of density of
226 population, as related to selling cost, figured in determining the differentials between the zones?

A. I believe it has. I do not see how it could be avoided.

Q. Now, can you tell us, Mr. Tomkins, having relation to this zone map, what the average freight rates, that is, freight rates to central points in these various zones would be?

Mr. MITCHELL. Q. Are those linseed-oil rates?

A. Yes, sir.

A. I took each State in each group, and taking what appeared to be one centrally located city and prominently located in the State

as an example of the conditions in that State, and then taking each of those cities in each State in that zone, adding them together, and dividing by the number of items, which gives you the average. Of course it is not an exact average, but it, however, approximates a figure which shows. I presume that in taking the average in some of these States, in taking all the rates to all the cities, it would show probably a higher basis of rates than those which I have selected.

Mr. MITCHELL. Q. Did you take a centrally situated city in each State?

A. What appeared to be; yes, from the map, a more or less centrally located city, or where it was a junction point; it may not have been exactly in the center of the State, but it apparently was representative, from what I would judge, from general traffic knowledge, to be a representative point. For instance, in zone 1, taking Wausau, Wisconsin; I do not know what it is as a distributing point, but it is a junction point, somewhat centrally located in the State of Wisconsin; and on the northern edge, in Minnesota, is Duluth; Minneapolis being practically in the center of the State, we took a point that was away from that. Decatur, Illinois, which is practically the center of Illinois, Rockwell City, Iowa, likewise. Taking those, the rates from Minneapolis to Wausau, it is twenty-five cents per hundredweight; to Duluth it is 12½ cents; to Decatur, Illinois, 25 cents; to Rockwell City, Iowa, 34 cents. Adding those four together and taking the average——

Mr. MITCHELL. Q. How about Missouri? You are talking about zone 1?

227 A. Yes. Where?

Q. Missouri?

A. Missouri? Well, Springfield; yes. Pardon me. I see I overlooked that. Springfield, Missouri, the rate is 39 cents.

Now, adding those five together, and taking the average, it gives us 25 cents, approximately.

In zone 2 we took Indianapolis, Indiana; the rate is 39 cents; Grand Rapids, Michigan, 39½ cents; Columbus, Ohio, 42 cents; Charleston, West Virginia, 45½ cents; averaging those gives us a rate of 41½ cents, approximately.

Q. From Minneapolis?

A. From Minneapolis; yes. In zone 3, Harrisburg, Pa., 62 cents; Syracuse, New York, 55 cents; Cumberland, Md., 55 cents; New Brunswick, N. J., 64 cents; Fall River, Mass., 66 cents; Meredith, Conn., 66 cents; Burlington, Vt., 66 cents; Concord, N. H., 66 cents; Providence, R. I., 66 cents; Portland, Me., 66 cents; the average approximates 63½ cents per hundredweight from Minneapolis.

In zone 4, Norfolk, Virginia, 62 cents; Wilmington, North Carolina, 69 cents; Charleston, South Carolina, 76 cents; Savannah, Georgia, 76 cents; Jacksonville, Florida, 76 cents; from Minneapolis. The average is 72 cents.

In zone 5, Frankfort, Kentucky, 57½ cents; Nashville, Tenn., 56½ cents; Roanoke, Virginia, 62 cents; Montgomery, Alabama, 94 cents;

Atlanta, Georgia, 99 cents; Raleigh, North Carolina, 71½ cents; Columbia, South Carolina, 99 cents; Jackson, Mississippi, 87½ cents—from Minneapolis; the average being approximately 78½ cents per hundredweight.

Billings, Montana, $1.05; Cheyenne, Wyoming, 77½ cents; Denver, Colorado, 77½ cents; Bismarck, North Dakota, 51½ cents; Pierre, South Dakota, 55 cents; Hastings, Nebraska, 52 cents; Topeka, Kansas, 33 cents; they average 65 cents, approximately, omitting the small fractions.

In zone 7, Dallas, Texas, $1.08; Oklahoma City, Oklahoma, 75.

Mr. MITCHELL. No; I will just take the average; that suits me, if it suits everybody else.

A. There are only two more.

228 Mr. MITCHELL. All right.

A. Santa Fe, New Mexico, $1.12½; Little Rock, Arkansas, 65½ cents; Alexandria, Louisiana, 70½; making the average approximately 85 cents.

In zone 8, Seattle, Washington—in fact the rate is all the same to these points; Seattle, Washington; Boise, Idaho; Portland, Oregon; San Francisco, California; Carlin, Nevada; Phoenix, Arizona; Salt Lake City, Utah; the rate is $1.12½, which is the average.

Assuming that Minneapolis and St. Paul are base points for production of linseed oil, and having reference to freight rates, and to selling costs in the various zones outlined, the zoning shown on the freight zone map, Government Exhibit 5, in my opinion, does not work an unfair discrimination against buyers in any of those zones. As a matter of fact, taking all the factors from a transportation point of view, into consideration, whoever devised that plan, I think, was very careful in devising it, and it seemed from a transportation point of view to very accurately represent the conditions.

The COURT. Q. You mean that if a zoning system must be used at all, that this does not show any more that the organic discrimination?

A. Yes.

The COURT. Q. So that when you have zones, and approach the border, there are bound to be discriminations?

A. Yes. That has been worked out, by the Interstate Commerce Commission; they have recognized that principle many, many times, but say for the general good it operates to the advantage, to have the grouping system.

Cross-examination:

I do not consider that it would be a hardship to charge on oil from Minneapolis to Fargo, North Dakota, 6¢ more than on oil sent from Minneapolis down into West Virginia, although Fargo is about four times as near to Minneapolis as West Virginia, taking into consideration density of population, the cost of reaching them.

229 Redirect examination:

In either of the States of North Dakota or South Dakota there is only one city that exceeds a population of 25,000. There is a population of only nine—eight in one State and nine in the other—to the square mile, and there are approximately 147,000 square miles in the two States to be covered in order to sell goods. The cost of transportation over those States, according to the rates, is exceedingly high; and we must take into consideration the cost of selling, just as well as the cost of transportation of the article; that has been provided for in the Clayton Act and by the Interstate Commerce Commission—a great many times they have recognized it.

JULIAN ARMSTRONG, witness on his own behalf. I am the owner of the Armstrong Bureau. I started in business when I was 18 and spent two years on the board of trade; then I went into my father's business of manufacturing paints and varnishes and stayed in that for approximately fifteen years. I then spent a couple of years in the advertising business, after which I went into this cooperative work and organized the Armstrong Bureau of Related Industries in the fall of 1916. The contracts (plaintiff's Exhibit 1) are those with which I operated with the linseed oil manufacturers, and they are substantially the same as prior contracts that I made with other industries. I have never operated with the linseed oil people under any other contracts.

The purpose of the written service contract was to give to the contracting parties with the bureau a very definite and clear understanding of the service of the bureau and of their obligations under the service contract. It also furnished some explanation of the bureau service to them. In addition to that the service contract explained thoroughly the operations of the bureau to those lawfully entitled to the same. I never operated in any manner other than under those contracts. At the outset of the service price lists had to be filed by the subscribers. These all had to be in hand by the bureau before any distribution was made whatsoever and then they were distributed simultaneously. With all my groups,

230 before entering on the work I sent out in advance a list of instructions governing the operation of our clients through the bureau. Market letter No. 3 was distributed to all the subscribers in the linseed oil group at approximately the time of its date, September 20. The statistical service started on October 1.

(Market letter No. 3, marked "Defendants' Exhibit 18.")

I used standard forms in transacting the work of receiving and disseminating the reports in my work with this industry. This package contains all of the forms that I used, and I did not receive or distribute information upon any other forms or in any other way.

(Forms marked "Defendants' Exhibit 19.")

My experience for fifteen years in the manufacture and sale of paints and varnishes gave me knowledge as to conditions in the flaxseed market. Like all buyers of linseed oil, we followed the

flaxseed market and recognized that any fluctuations in it that were unwarranted more or less penalized buyers of linseed oil. It was my hope in extending this service to the linseed oil industry that I might find some means by which we could correct that condition in the flaxseed market, which had penalized me as a buyer. Nothing of that kind has, however, every been effected or attempted by the bureau or by the linseed oil council.

We have never in our operation of this bureau in connection with the linseed oil industry or any other permitted it to be used, or have used it, for the purpose of receiving and distributing any information except that which relates to past transactions. We have never permitted the bureau to be used in any manner whatsoever to fix prices or to curtail production. It has been our purpose and intend in operating under the bureau to guard against such propositions. The service is open to any crusher of flaxseed, and the present members have no blackball power. The bureau directs the operations and accepts the obligation of organizing the industry and of bringing in of our own solicitation those outsiders who do not start with the service. For our own private gain we seek to get as many of the industry into service as will come. I have
231 not heard of, and to my knowledge there have not been, any attempts among the members of the council to curtail production or affect prices, etc. The reports would show if any such things had occurred.

I believe in competition if it is fair and right, fair and honest. When we introduce our service to an industry we generally find, as we found in the linseed oil industry, similar conditions, that is, there is no more or less fear, distrust, suspicion, and sometimes antagonism, all of which is the result of more or less ignorance of general conditions and of general facts. It is a part of our purpose and intent to overcome such situations as far as possible, and we are more or less successful in bringing about a recognition of the finer ethics of business. That, however, takes considerable time. The statistical information starts at once, subject only to the regulation that all price lists must be in the hands of the bureau before the distribution of the market information starts, the purpose being that there might be no copying or leadership. The statement to the effect that it takes four or five months to get into operation would apply entirely to the introduction and recognition of the ethics of this service and to the dispelling of this distrust, suspicion, and antagonistic attitude wherever they obtain. There is always hesitation in getting the clerical machinery for the market information into operation.

Q. Whether or not it is a fact, as shown by the records here without turning to them, that when they started this, and you thus got your price lists, each without reference to the other, that they were not substantially the same?

A. They were not.

Q. As their price lists filed with you?

A. They were not.

This pamphlet is an index of our service. It was distributed to prospective clients or anyone as more or less of an advertise-
232 ment of the bureau, so that they could crystallize in their minds the service the bureau could afford them.

(Pamphlet entitled "The First Institution of Its Kind" marked "Defendants' Exhibit 20.")

The meetings of the Linseed Oil Council convened at 10.30, adjourned for luncheon at 12 o'clock, convened again at 1 o'clock and adjourned at 4.30 or 5. There were some shorter sessions. In anticipation of approaching meetings we sent out what we called a docket in order to systematize the meetings. These dockets were sent out two weeks in advance and contained the important questions for discussion, so that each subscriber necessarily had to be prepared and discussed the matters intelligently. That, however, did not prevent the discussion of any other questions that might come up, but as a general rule the dockets are reflected in the minutes of the meetings.

The questions of prices to be charged and matters of that kind were never discussed at the meetings. There were twenty meetings in all of the Linseed Oil Council. The docket is made up of matters suggested by the crushers for general discussion and of matters laid over from previous meetings for further research. In any of this work where we find a group in a more or less chaotic condition with regard to merchandise practises we do not get at the finer and more constructive features of our work for some time. I think in this industry where the service started in October, those broader features of service did not enter into our discussions until some time in February. Beginning with the institution of the service the work with the War Industries Board was of very direct interest to us and was a part of our cooperation. We immediately started the matter of flax development, but Mr. Nolan's bureau under his direc-
233 tion was doing practically everything that could be done in that respect. Then there was a discussion of a uniform loading plan which was worked out with the Master Car Builders Association. Our committee worked out a plan with that associaton and the plan was adopted. The matter was very scientifically gone into, and some blue prints were finally decided upon, were distributed through the bureau service and were adopted by the manufacturers.

We also had work on our tariff committee, which, however, was not very active at the outset, because the tariff question was not then active. Then there was the standardization committee, of which Mr. Hirst was chairman, in which we endeavored to work out a standard definition whereby the purity of linseed oil would be established. The committee also worked for recognition from the American Society of Testing Materials. We wanted to work out this standardization so that the public would be afforded a rule by which they could know whether or not they were getting pure linseed oil. There are in fact impurities in linseed oil and there are impure substitutes. "Foots" in linseed oil means the precipitation or sediment that comes from different grades of flaxseed. I believe that there is

a larger precipitation in linseed oil crushed from the Argentine seed than there is in that crushed from domestic seed. Immediately after the armistice a great deal of foreign oil came into this country and we were receiving complaints from the trade as to this abnormal amount of precipitation. Our research work naturally was to show that the American manufacturers were producing a higher grade of oil. In that connection we instituted some tests by committee work to ascertain whether filtration of oil through filter pipes instead of filter cloths would produce an oil of better clarity. We found
234 that filter pipes were better in some instances, and that information was given to the council for what it was worth. We then instituted a rather extensive test that was conducted by two of our members in their own plants to see whether or not linseed oil could be clarified by centrifugal force. I believe the result of that was that it was not as desirable as the filtration through the regular presses.

All of those subjects were a part of our work at our meetings. I also have here a notation of the work undertaken by the council through the bureau and by the council members themselves to bring about a different merchandising practice in the sale of linseed oil. This oil is sold on a gallon measure basis, instead of a pound basis, as all other oils are sold. There has always been a great deal of controversy, and I believe several law suits, as to the actual weight of a gallon of linseed oil. It has been the practice in this industry to take 7½ pounds for a gallon, although as a matter of fact I believe that figure is erroneous and that it should be a little more. We, therefore, in the interest of the consumer, circularized the trade to see whether or not the trade would approve a change in the basis of measuring oil from the gallon measure to the pound. The trade was circularized at considerable expense by the bureau, but mostly by the crushers, in accordance with a plan agreed upon by them through the bureau. We found that the larger consumers were in favor of the pound basis, but the little consumers were averse to a change, and we did not institute the change. It should be done, and I hope some day that it will be done.

Another subject is the usual discussion of costs, which pertains to all our groups. In the linseed industry the most important factor in the discussion of costs was the bringing about of the recognition of an accurate figure to represent the cost of the containers.
235 In my linseed oil buying experience I wanted at all times to know that the differential between oil in containers and tank wagons represented actually the cost of the package. So in this industry we exchanged costs on containers and in that way recommended the adopted costs. The linseed oil industry uses what is known as second-hand barrels, and we gather the cost of them throughout the country. There is more or less leakage from second-hand barrels and wooden barrels, and we took up the question of substituting steel barrels. We found that it was not practical for all manufacturers unless they were of considerable size to handle and

invest in the steel barrels so as to substitute them for wooden barrels, but the council was in hopes that it would come about.

In the matter of publicity we saw a great opportunity for a joint advertising campaign to develop a wider use of meal by stock growers. It is largely consumed in foreign countries for stock feeding, and we decided and recommended that if the farmers and stock growers in this country could be brought to a clear understanding of the food value of this meal that we would increase the market for it and have it consumed in this country instead of abroad. We discussed a plan for the joint marketing of the meal.

It is my understanding that the essentials for constructive competition as that phrase is used in Mr. Ferry's book (Plaintiff's Exhibit 13) are full and accurate knowledge of conditions affecting the subject matter. Briefly, I would say that constructive competition would be competition that is fair to competitors and consumers. Perhaps you can picture what I mean by this competition. Suppose you take a group of sellers who are operating without this accurate knowledge of market conditions, competition, etc. It is more or
236 less blind competition. I think everybody realizes what the term "blind competition" means. Suppose you take for example that a manufacturer's sales amount to eight in number in one year. Suppose we consider that with an accurate knowledge of his costs, which he would have under this constructive competition definition, and a knowledge of competitive conditions in the market, he would find that his margin of profit in those eight sales must be $12.50 per sale in order to keep his business on a constructive level without slipping backwards and without making up his loss on someone else and that that would give him at the end of the year $100.00 profit. Now suppose we consider the industry of this same seller working under the old order of things, blind competition, destructive practises, meeting reported competition, etc., etc., and we say that in these eight sales he is able to scalp a little here and is able to get, at the expense of the other fellows, $50 profit on four of those sales. Then let us say that in meeting competition he loses $25 a sale on the other four. He is forced to do that through this misinformation. Now at the end of the year the sum total for that manufacturer is the same in dollars and cents. In either event he makes $100 profit, but the public has to pay the bill. Under the order of fair and intelligent competition and in this constructive competition market which I am picturing, with this full and complete knowledge of facts and this fair competition, we would have a group of sellers selling on their respective costs. Percentages of costs vary. It has been shown in the linseed oil industry that the cost to work a bushel of flaxseed varies from 55 cents to 85 cents on figures given to me simultaneously. Now, with the margin of profit varying or the difference in costs varying, we would have in the market, so far as the public is concerned, a range of prices. In other words we would all be on the

same basis if we dealt with the same seller, but a market would
237 be pictured as in my explanation wherein anyone could seek out the lowest seller and could get such saving as might be afforded and wherein there would be a range of prices just as there is in this linseed oil industry.

CARPENTER, J. I wondered if you were going to reach the point where you would tell us why the man who had the smallest cost of production shouldn't undersell his neighbor who had to pay more.

A. The manufacturers who have reached that stage are generally the larger companies. They have spent years in bringing their business to that point of efficiency. In spending this time they have spent a great deal of money. Now I have contended, and this is where I venture into the field of idealism, which I hesitate to do in this trial, but it is, in my judgment, only right that a manufacturer who has expended time and effort and money to bring his factory to the point of that efficiency, should not throw it away by underselling his competitors so that they would go out of business, so to speak. Do I make that point clear? It is difficult to explain.

CARPENTER, J. Well, then, the idealism is on his part.

A. No; it is cold dollars and cents.

CARPENTER, J. No, but if he has failed to undersell his competitors and put them all out of business, the fact that he does not do it sort of borders on idealism?

A. Well, now if he pursues the course that I have suggested here, and while he may not sell his product at the peak—in other words, at the cost of the smaller manufacturers—and he doesn't, he nevertheless, by taking that profit that he would otherwise lose if he sold it closer to cost than necessary, delivers a better return to his stockholders and gets back some of his money that he has spent in getting his plant to his point of efficiency.

238 We have never tried to direct anybody as to their margin of profit or prices. This competitive proposition that we have ultimately leads to disaster and bankruptcy, and, of course, the creditors pay the bill in the bankruptcy.

The letters constituting plaintiff's Exhibit 12 were taken from what we call the legal exception file. The contents of letters in that file are not distributed or relayed to the members and are dead issues that do not get any farther than the bureau's office. This letter is a copy of another letter from the legal exception file.

(Legal exception file letter is marked "Defendant's Exhibit 21.")

The legal exception file is a part of our service which checks any violation of the service contract and any intentional or unintentional violation of the Sherman law, the Clayton Act, or the Federal Trade Commission act. When I say unintentional I mean that we scrutinize a letter for the phraseology so as to be sure that nothing is used in the correspondence which misrepresents the service or which says something that the subscribers really did not intend. We do the same thing in our conversations and in the meetings. The letters in the legal exception file are ones that were written to us and were returned by us to the writers after taking copies, as not proper letters for correspondence under the terms of the contract.

The resolution, "Resolved, that it be the sense of the meeting that the practice of quoting special prices to preferred buyers by any subscriber who does not then extend similar advantages to his other customers is unfair merchandising, and any revision in any subscriber's price list shall be made to at once obtain for his entire trade and shall thus be immediately published by him" was an interpretation of section 2 of the Clayton Act reduced to merchandising terms, and no other resolution on the same subject was ever adopted by us.

239 This document headed "Price discrimination" is taken from our advertising file and is a copy of a full-page advertisement which was circulated through all of the trade papers, and as far as possible through trade papers reaching the consumers. It was gotten out in connection with the resolution which I have previously mentioned, and we interpreted the resolution in the advertisement.

(Advertisement is marked "Defendants' Exhibit 22.")

The coat of arms bearing the statement "Related industries, whose products manufactured, marketed, and sold in strict accord with the spirit of fairness to employe, competitor, and purchaser, need no greater surety than supreme quality" was put on the contracts for the purpose of announcing the principles of our business. The statement on the bottom of the first page of the contracts (plaintiff's Exhibit 1) with regard to the return of the contract to the bureau occurs at the bottom of the cover page on all of our contracts and was put there for my own protection and in order to keep the contract from being used by others who might fail to appreciate it. There was no secrecy in regard to the service contract.

These two advertisements emanated from the bureau and were circulated far and wide in the trade papers as a part of our advertising campaign.

(Advertisements are marked "Defendants' Exhibits 23 and 24.")

Either myself or Mr. Ferry kept the minutes of the bureau meetings, and we never had a shorthand reporter present. After the meetings the minutes were written up and were mailed to the members of the council. The minutes truthfully set forth all that occurred at the meetings, and nothing occurred that was not transcribed. We started the bureau with the idea that stenographic

240 notes should be kept, and I had one stenographic record of a meeting that was an inch thick. It could all have been boiled down so that a true and correct picture of the minutes could have been given in probably twenty pages.

This was in connection with another group in the early history of the bureau.

All changes of prices are telegraphed to the bureau and are relayed in the same manner to the other subscribers. Paragraphs 304 to 307 cover the condition where special preferred prices obtained under that section 2 of the Clayton Act. That whole section of the service contract is to secure for the members an exchange through the bureau of information pertaining to price changes and to get it to

them as quickly as possible. The telegraphic information coming in during the day before four o'clock is immediately telegraphed, and information received after that time is sent out to all by night letter, the purpose being to give no one an advantage over the others so far as our service is concerned. The compilation of the daily reports of carload sales is gotten out in about three days, and the same is true of the weekly and monthly reports.

In connection with lines 337 to 339 of the contract (plaintiff's Exhibit 1) a map of the United States was divided into zones, and this map offered in evidence (plainiff's Exhibit 5) was sent out with this matter attached to it. The market letters were sent separately, but this description of the map was sent out with it.

(Territorial explanation of zones is marked "Defendants' Exhibit 26.")

The matter of differentials did not arise until several weeks or months after the zone plan was adopted, and it is an entirely separate matter. The differentials did not in any manner whatsoever affect the price which any crusher or any member of the council charged to his trade. We applied to the Lent Traffic Bureau, which is a traffic agency for supplying manufacturers with freight rates on their commodities from different distributing points to other towns and cities, and the differentials of the zones check up with the letter from that bureau giving us actual freight rates into those zones. The top matter here is a description of the bureau's negotiations with the Lent Traffic Bureau, together with a summary of the statistical information. The matter attached to it is from the Lent Traffic Bureau. A committee of the council consulted as to this matter and checked the accuracy of our differentials. We at one time contemplated using the Lent Traffic Bureau's rate books, but then a different plan of merchandising was adopted. These documents were distributed to all the members at a meeting and are referred to in the minutes.

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(Correspondence with Lent Traffic Bureau is marked "Defendants' Exhibit 27.")

(Letter to Dominion Linseed Oil Co. is marked "Defendants' Exhibit 28.")

In dealing with the public and seeking to obtain orders, the council members were wrongly advised as to offers that had already been made by others, as brought out in the testimony, and our system enabled them to check such information.

Cross-examination:

The point I am making is that these minutes are accurate. They average as high as six pages, I think, and the stenographic report to which I have referred probably contained a hundred pages or more.

These abstract minutes were made by me or someone under my direction and were mailed to the various members of the bureau, and I am willing to state that they are an accurate record of all business transacted at the meetings in accordance with the

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service contract. I didn't send out anything that the members ought not to have known anything about, nor did I overlook anything that should have been reported.

One of the abuses in the linseed oil industry was price discrimination, such as, for instance, the larger manufacturers coming into Milwaukee, where Mr. Goodrich is located, and taking his business away at less prices than they were making at Buffalo, although obviously it costs them more to get oil from Buffalo to Milwaukee. That hurts the consumer at Milwaukee in this way. If Mr. Goodrich went out of business, the supply from these other destructive factors might cease or let up. This was corrected by this resolution simply to the extent that if a subscriber changed his prices he would change them to his entire trade and would grant the same privileges to all his trade, instead of making a drive here and there.

CARPENTER, J. Then you did have something to do with future prices. I understood a little while ago, the other day, that you dealt only with the record of past transactions.

A. We discussed merchandising practices, admittedly so.

Q. You call this a discussion of merchandising practice.

A. Absolutely. It has its bearing on price as every merchandising practice. You may so construe it.

I say that the resolution is a clear interpretation of section 2 of the Clayton Act put into terms so that a manufacturer will understand it, so that if a manufacturer changes his price he changes it to his entire trade. We believe in one price to all. That is what is the matter with business to-day. There is this preferential
243 treatment, this drive for business. Supposing I, as a paint manufacturer in competition with other manufacturers, was afforded by an oil producer a lower price than my next-door neighbor. What does that do to my competition as a manufacturer with that neighbor? It is unfair, isn't it? We believe in one price for all, so far as the same seller is concerned, and this resolution was designed to bring that about.

I should say that it took on an average about thirty minutes to relay out from the office telegraphic notices of changes in prices that were received.

These zone differentials, in the first place, were simply recommended differentials as the consensus of opinion. When the service was I instituted the differentials varied very materially. For instance, one seller had them as high as 13 or 14 cents. I think the highest differential on the zone system as recommended is around 11 cents. The differentials varied, but it was the disposition of the bureau to scrutinize this thing as to whether, first, it was absolutely within the terms of the service contract, and, second, as to whether it was in violation of the law. So, you see these differentials were not arbitrarily arrived at, and they at all times left room for individual action, and that individual action did take place, varying very materially at times from others. The resolution defining differentials or recommended differentials took place some time after the zone

map was in operation. The substance of the resolution was that the recommended differentials for the different zones should be thus and so. It was passed on the basis of the map (Plaintiff's Exhibit 5) at one of the meetings shortly after the map had been compiled.

Passing a recommendation did not foreclose the right of any
244 subscriber to do as he pleased, but we believe that a consensus of opinion of our clients as to what constitutes good merchandising practice is good merchandising practice and is of service to society. It was the purpose of our resolutions to secure adherence thereto, but with independent action thereafter if the members found their individual business would not admit of adherence. I certainly would think that the members ought to adhere to our resolutions if they were good merchandising practice on which there was no argument, like that section 2 of the Clayton Act.

There was only one instance when I called the attention of the members at a meeting to the fact that the resolutions should be lived up to if they were to have any worth. That was in connection with our canvassing the trade as to whether or not we should make certain changes in our cash discounts. The bureau circulated a letter which was to be sent out to the trade asking for an expression on the matter. Two or three of the manufacturers sent out that letter and bore the whole burden of placing the question before the trade, when the letter should have been sent out by all of them. I took exception to the fact that that resolution about sending out the letter was not supported.

With reference to the matter of sales as between council members; most of them appointed each other their agents. There was a great exchange of oil during the shortage. Some mills had contracts that they could not take care of and the other mills helped them out. In order to establish a relationship between the mills so that this oil could change hands at a price that would not be considered a price discrimination, the different mills making such sales appointed the other mills their agents and allowed them a certain number of cents per gallon discount as, in a sense, a commission for
245 agency service. That brought about sales from one member of the council to another at a less price than would have obtained on sales to outsiders, but the oil was delivered to the mill in question. Sales between council members stood on a different footing from sales to outsiders, just as any manufacturer would sell to another manufacturer at a lower price. The bureau did not recognize this except in the exchange of market information by clearing that information. These were not sales at a lower price any more than any other trade discounts constitute sales at a lower price. They were sales to a certain class of buyers. The same system prevailed with other crushers outside of the bureau during that period. I think they were absolutely the same. For instance, if there were two smaller crushers outside of our members they were always given preferential treatment by the crushers in our industry. In order to show in our statistics the amount of oil that was moving at a certain

time we segregated the sales within the council which obviously would be reported again when the oil moved on to the trade. The purpose of this was to prevent there being any confusion in the total statistics of the industry so that the movement of the same oil would not show a double sale. In order that there should not be any favoritism shown, the recommendation was made that three cents per gallon was the maximum that anybody really should allow on these sales.

The bureau still maintains its organization and is prepared to resume the distribution of information at any time and to do so is our object and desire. The individual defendants are either holding the information in their office or are sending it to us, so that we are prepared to resume operation at any time we may be permitted or may see fit.

Before the inception of this service a committee of three of the larger crushers came to the bureau wanting to know about
246 the service and whether we could introduce it into the linseed-oil industry. These men represented the Spencer-Kellogg, Midland, and Archer-Daniels Companies. They came to me very much as other clients came. It was not by any means an altruistic proposition that they had in mind. It was a proposition to make more money. If our service does not deliver a cash return to the members and to us, we have no business to be in operation. How we enabled them to make more money is a broad question, but we took up all the slack obtaining from these destructive merchandising practices. For instance, I have just spoken about what a destructive competitive market is. Some of these men selling on that basis might not have been able to make up their losses. They might actually have lost money on their oil to meet competition, without being able to make it up. That is unfair. It is unfair competition. A man does not go into it with his eyes open. His eyes are shut and he can't see what he is up against. It is what we term blind competition. I think the germ of the idea for this service came from the work in the War Industries Board, where during the war most of this work was countenanced and urged.

After the first talk with the three men I have mentioned the bureau brought in the other members by explaining to them what the idea was and what the purpose was and what it was not. We told them there never would be any agreement as to prices.

To go back to the definition of constructive competition I think we have got to go back to the graphic picture I have given of what we call constructive competition as shown by the results of our service. I use the term stabilized market. That is my pet term, but it is very similar to the definition of constructive compe-
247 tition, because one comes from the other. My stabilized market term has been touched upon in the testimony in this case. I call a stabilized market a market in which competitive prices operate upon the law of supply and demand plus the knowledge of individual costs in the market and unaffected by the wide fluc-

tuations that obtain from misinformation. That is a technical explanation or graphic picture of a market that operates under those conditions and delivers certain price results. All of these graphic charts are a stabilized market unaffected by the wide fluctuations.

In my ideal a constructive competitive market shown graphically would be a broad band or ribbon right across the chart. That would show a range in price which might be of 10 or 15 cents a gallon. The daily competitive range would be there, but the great high peaks and depressions that are the result of misinformation would be cut out. I do not suggest that it is our idea to produce a range in linseed oil prices of from 10 to 15 cents a gallon through our operation. It would not be possible to do that. Indeed, we are not aiming to produce a range in prices at any given time. I think that it is doing me an injustice to consider that I said that members should not undersell each other, because that is the history of this business. We are not working together for the purpose of inducing them to undersell one another, but I am working to bring them to a point where they will not take hearsay evidence as indicative of their competition, but they will take the true facts and will meet competition as their business conditions permit. The graphic chart shows rises and falls, a broad competitive spread at all times, that is a constructive competitive market graphically pictured. Competition is there at all times, but it is a fair competition.

248 If you and I go to the same tailor and he sells me a suit for $30 and then makes up the loss on me by tacking on to your suit, that is not fair. If I have only $30 for my suit and you have $40, so that the tailor gets $70 for the two, I would say that the transaction is unfair, and either I ought to go to another tailor or you ought not to pay the $5 on my suit that I should have paid.

CARPENTER, J. In this linseed oil business it is hard to find the other tailor.

The statistical information operated immediately when all the members' price lists were filed with the bureau. In other words, their exchange as soon as they were all in was the starting gun. After that any price change was relayed instantly. My statement about its taking perhaps four months for the plan to get in full operation applies to this recognition of these higher ethics of doing business for which we are working. Among these higher ethics are, for instance, recognition of section 2 of the Clayton Act, everything that the Federal Trade Commission would give us, everything that we might take to the Federal Trade Commission and secure, just as they do, a consensus of opinion of the industry as to what constitutes fair or unfair merchandising practices. We have no objection to special prices and their making does not enter into the matter. The resolution is a check on preferential or special prices that do not result in a revised price list to the entire trade. That is a part of our conception of what is ethical or unethical. I do not want to state that this was purely an ethical proposition that we were run-

ning. I am sometimes called idealistic, but I think I am a practical business man, and I was running the bureau for my personal profit, and the subscribers were associating themselves together for their personal profit.

249 Plaintiff's Exhibit 14 is an advertisement that was published in the name of the Linseed Crushers' Industrial Council as a part of their advertising scheme.

Since June 30, 1920, I think that the majority of the smaller crushing plants have been shut down. The prices of linseed oil have declined sharply and steadily with the flaxseed market since that time. I do not know definitely about prices, as I have not paid much attention to them.

Any market information which the regular forms would not fit, like a sales report or a quotation report, would go out on this so-called market letter form, which is merely a heading "Market letter." Any subscriber at any time had a right to petition the bureau to ascertain what quotations or sales had been made to John Jones. We would send out that inquiry and when all the replies were in we would clear a compilation report of the reports on this market letter form. We would handle an inquiry such as—our agent reports that on such and such a day one of the subscribers, naming him, offered or sold oil at such and such a price, and we would find that that member had that price on file with the bureau at that time, by bulletining the subscriber and sending the letter to everyone. It was our system that no correspondence went out of the bureau unless all the members got a copy of it. The subscriber named would write back and state the true facts and that would be relayed to all the others in the form of a bulletin.

With reference to the legal exception file, subscribers would write in from time to time and perhaps make use of the term "the market price." The office manager would then blue-pencil the objectionable phrases.

250 Redirect examination:

Some of the weekly and daily reports are now being sent into my office. I know that prior to the filing of the petition in this case the prices of linseed oil had very materially started to decline.

I think I can safely say that in my judgment if all the minutes of all of our meetings had been taken in shorthand they would not disclose anything that is not disclosed in my notes and in the bulletins. I think we have been overzealous to record everything, and we have not in the drafting or preparing of the minutes knowingly secreted or suppressed anything that occurred. After the resolutions were passed and before and after, the members had quoted special prices.

JOHN W. HURST, witness for defendants. I am a linseed oil crusher and live in Chicago, where I have been in the business for practically 40 years. I both buy and sell linseed oil for Hurst & Begley Company, one of the defendants in this suit. We crush

about 30,000 gallons of oil annually and buy or sell during the year from a maximum of 85,000 to a minimum of 60,000 barrels, being much larger buyers than we are producers.

I attended some of the meetings of the Armstrong Bureau and recall quite a great deal of special benefit that I derived from them. We used to exchange at the meetings information individually on subject matters concerning materials, supplies, and so forth. I recall that at one meeting I heard very accidentally that a cargo of burlap en route from India to New York had gone down. It was a big advantage to me to know that, because I immediately started our office to work ransacking this town and neighboring towns for burlap bags, both new and secondhand. I feel that that one
251 incident probably saved me more money than the cost of the service for a year. The service of the Armstrong Bureau was helpful in the general discussion of questions of vital interest to the industry, such as the best method of encouraging the growth of flaxseed.

There were never at these meetings discussions of the prices to be charged for linseed, and I never entered into any agreement or understanding with any of the other crushers as to the prices which I would fix on the linseed oil that I bought or sold. It did not make so much difference to me whether the prices were up or down, if there was a fair price based on the cost of raw material. There was competition in the linseed oil market during the life of the Armstrong Bureau, and I recall that on some days I quoted prices different from those quoted by other crushers on the same day. In selling linseed oil I nearly always took into consideration in fixing my price the cost of replacement. I do business in a very peculair way. I have always, in building up the trade I have in Chicago, based my price on cost plus, and did so during the time I belonged to the Armstrong Bureau.

I have an idea that I sell about 75% of the oil that is used around Chicago, and I keep that trade and make my sales in competition with the other crushers.

Cross-examination:

It would not surprise be to know that I am in a special position here in Chicago, different from the other crushers. I am familiar in a general way with the prices which are obtained. The price of linseed oil has been declining since June, 1920, down to the present time, and it is to-day 63 cents in cooperage.

I joined the Armstrong Bureau and went through the practice of the bureau, filing my prices and getting my reports
252 back again regularly, up until the time this suit was brought.

Q. Now the fact of that interchange of prices through the bureau among the crushers, didn't that have a tendency to stabilize the market?

A. Yes.

Q. It did?

A. I think so.

Q. And did it not have a tendency to make the prices somewhat more uniform than otherwise?

A. I think so.

I could not answer whether that purpose kept the prices unchanged during considerable periods of time unless I told you just what the effects on the business were during that period. The largest oil buyers only enter the market two or three times a year, generally only twice a year. They buy very heavily in the summer for fall and winter requirements, and they buy very heavily late in the fall for their spring requirements. During those periods the market is rather inactive and quotations are somewhat steady and stabilized.

Q. Wasn't that exchange of prices, of price lists, through the bureau—did that have a tendency to assist at uniformity of prices?

A. I don't think there is any question about that.

Q. No question about that?

A. I don't think so.

Q. Now on a rising market—of course in a general way, when the price of flaxseed goes up, the price of linseed oil goes up? Anybody can see that. Now, what was the effect of the exchange of prices through this bureau, when there was a rising flaxseed market? What effect did the exchange of prices through the bureau tend to have on the prices of linseed oil?

A. I can only answer for myself as to the effect of the inter-
253 change of prices on the price of linseed oil during a rising flaxseed market. When I saw the flaxseed market advancing I hedged all my transactions, buying flaxseed as I sold oil so as to keep my tracks covered. We had to use a good deal of discrimination or of judgment to determine whether a rising flaxseed market was speculative or not. If it was a legitimate advance created by a demand for oil or for cake, we then looked for an advance in the linseed oil market.

Q. Oh, yes, I can quite understand that. That would obtain whether there was a bureau or not?

A. Yes.

Practically the entire capacity of my mill was absorbed by these agreements or arrangements that I had with Chicago buyers. Now, I might to a little further and say that all the oil that I bought I was able to follow the market because if I bought on a high market I must sell on a high market.

Mr. MITCHELL. Now, with that background for my next question, that is, a rising market, for reasons which you would consider profitable, given those tendencies to create, possibly, an advance in the price of oil, now, in connection with that, what would be the effect, speaking now from your observations, when you are a member of this council, and in the business, what would be the effect of this continued interchange of price lists amongst the crushers, through

the Armstrong Bureau? Would that have a tendency to help the price of linseed oil up?

A. Well, I want to be as sensible as I can in my reply.

Q. Please do.

A. And if you will suggest the effect that it might have on the market, I would like to say yes or no.

Q. Yes. I would suggest to you that it did have the effect——

Mr. SPOONER. Let him answer.

Mr. MITCHELL. Had you finished?

254 A. Yes.

Q. Did you finish?

A. Yes.

Mr. WALSH. Read the question and answer.

(Last testimony read.)

A. I would say yes or no, if——

Mr. MITCHELL. If I will lead him, he will answer. That is what he means.

Mr. SPOONER. Go on and lead him, and get it over with.

Mr. MITCHELL. Well, it may be painful.

Mr. SPOONER. It is not painful.

A. I can answer your question, I think.

Mr. MITCHELL. All right.

A. So far as I am personally concerned, the interchange of price lists among the crushers would have no effect on me whatever except as I said that as the price of flaxseed advanced I would look for an advance in the price of linseed oil, provided there wasn't an advance in the price of cake in the meantime. Very frequently an advance in cake will offset any advance in the price of flaxseed without affecting the price of linseed oil.

The COURT. Q. Well, where would you look for this advance? You said that if flaxseed went up you would look for an advance. Now, where would you expect to see it? Inside of your own establishment, or inside of the bureau?

A. Your honor, I got practically all of my information from the trade before I got it from the bureau.

Mr. MITCHELL. Q. Now, speaking of your observation, not only of your own business, but what you see reported through the bureau of the prices of all of the crushers, and speaking as a man familiar with the business—did not this interchange of price lists through the bureau have a tendency to help the price of linseed oil up?

255 A. It might have done so, as far as the other crushers were concerned, but, Mr. Mitchell, that had no effect on me whatever, and I can only answer for myself.

Q. Now, on a falling market for linseed oil, what would be the effect of this exchange of price lists through the bureau, among the crushers?

A. If you mean a falling market, you mean the falling of the flaxseed market?

Q. Yes.

A. Now we had there again to discriminate if that fall in the market was a legitimate one, we had again to exercise our judgment as to whether it was what we call a "soda water," or otherwise. Now, if we found a temporary condition in the option market, that is, inactivity, and we concluded that the price was not headed for a permanent tendency, we did not—when I say "we did not" I did not—I was not in a hurry to decline the price of oil.

Q. Well, did not the exchange of the price lists through the bureau, which were communicated to you, the prices of all of the other crushers, showing what they were getting, wouldn't that help you, if they were getting a certain price, or their quotations were a certain price, and you saw they were adhering to the same prices, would or would not that help you to maintain the price?

A. You see, Mr. Mitchell, I was practically helpless.

Q. Or proportionately——

A. Or practically helpless. I had to buy linseed oil, and if the market was maintained, that is, if this market price of linseed oil was maintained on a lowering flax market, there was some—possibly some excuse for it. Now it might have been a lowering in the value of oil cake. That would prevent a falling linseed oil market and a falling flaxseed market.

I think that the information that the other crushers were
256 holding to a certain price would assist me in holding to that price on such an amount of oil as I had to sell.

(Market letters are marked "Defendants' Exhibit 29.")

(Letter dated Sept. 1, 1919, from H. E. Ankaney to Armstrong Bureau is marked "Defendants' Exhibit 30.")

(Letter from Mann. Bros. Company to Armstrong Bureau, dated August 19, 1919, is marked "Defendants' Exhibit 31.")

(Letter from Minnesota Linseed Company to Armstrong Bureau, dated August 1, 1919, is marked "Defendants' Exhibit 32.")

(Letter from C. T. Nolan to Armstrong Bureau, dated March 15, 1919, is marked "Defendants' Exhibit 33.")

(Letter of C. T. Nolan to Armstrong Bureau, dated August 25, 1919, is marked "Defendants' Exhibit 34.")

CHARLES T. NOLAN, witness for defendants, recalled. I remember transactions where linseed oil was sold for delivery in zone one and delivery was then taken not in zone one, but in another zone. I bought linseed oil for delivery at one point in zone one and instead of exercising that option took delivery in California, and in that change of zone received an allowance equal to the freight rate from the shipping point, which was Minneapolis, to the extreme point, or the line of demarcation of zone one, and then paid the freight rate clear to San Francisco.

The COURT. That is clearly obvious that if I want to buy a car, I can buy if f. o. b. Detroit or Cleveland, or San Francisco, or anywhere else, and that price would vary according to the freight rates.

Mr. CONGLETON. This is even an extension of that, your honor.

They gave them freight free for considerable distances to the limit of the zone 1, and then they paid the freight.

The COURT. That is just another way of figuring their business, that is all.

257 I know of certain occasions, but I wasn't a party to them. For instance, take Covington, Kentucky, on the other side of the Ohio River from Cincinnati. There is such and such a differential between them as one is in zone 4 and the other in zone five. The man in Covington who knew his business would be told to buy in Cincinnati at that price and then pay the cartage or freight across the river.

And that very same thing would apply as between Minneapolis and Moorehead and Fargo. Any crusher would have sold to a Fargo buyer linseed oil for delivery at Moorehead, Minnesota, and that is another place like Covington, if you recall, or used to be, and you could truck it across the Red River of the North at a nominal expense. I dare say that is what the Fargo buyers did. I would have done that.

The COURT. And so would St. Louis and East St. Louis, being in different zones.

The WITNESS. They don't happen to be in different zones in this instance.

The COURT. I say East St. Louis in Illinois and St. Louis, Missouri, they are in different zones on your map——

A. No, sir.

Mr. CONGLETON. They are in the same zone, your honor.

The WITNESS. But Moorehead is in zone 1 and Fargo is in the western zone that takes the arbitrary differential, which differential is calculated to cover the average of the freight cost over a vast territory west of the Minnesota State line, and the Fargo buyer would not have to pay the seven cents over the Minneapolis or Des Moines price, because the competition, in the first place, wouldn't permit him, and, in the second place, he ought to know better.

The flaxseed market all over the world and the linseed-oil market have both had a very drastic and appreciable decline since July 1, 1920. The price of flaxseed was then somewhere over $4.00 a bushel at Duluth and it is now between $1.50 and $1.60.

258 Cross-examination:

In the Fargo and Morehead situations and others which I have explained I do not think that the zoning plan would have been insisted upon.

CARPENTER, J. A special dispensation.

It is optional with the buyer whether the zoning system is operated or not. If it had been insisted upon in those cases it would have brought a higher price. It does not, however, affect the base price. It affects the price, but at the same time if you are located at a distant point from the place of production you pay more than if you are at a near point.

259 And on, to wit, the 4th day of February, 1922, came the plaintiff, by its attorneys, and filed in the clerk's office of said court a certain petition for appeal, in words and figures following, to wit:

260 In the District Court of the United States for the Northern District of Illinois, Eastern Division.

UNITED STATES OF AMERICA, PLAINTIFF, *vs.* AMERICAN LINSEED COMPANY AND OTHERS, defendants.	In Equity, No. 1490.

Petition for appeal.

The United States of America, petitioner, feeling itself aggrieved by the final decree entered in the above-entitled cause on the 8th day of December, 1921, by its counsel prays an appeal therefrom to the Supreme Court of the United States.

The particulars wherein the United States considers said decree erroneous are set forth in the assignment of errors herewith filed, to which reference is made.

The United States further prays that a transcript of the record, proceedings, papers, and evidence upon which said decree was made and entered, duly authenticated, may be transmitted at the earliest practicable date to the Supreme Court of the United States.

CHARLES F. CLYNE,
United States Attorney, Northern District of Illinois.
J. A. FOWLER,
Special Assistant to the Attorney General.
C. STANLEY THOMPSON,
Special Assistant to the Attorney General.

(Endorsed: Filed Feb. 4, 1922. John H. R. Jamar, clerk.)

260½ And afterwards on, to wit, the 4th day of Feb., 1922, this matter coming on to be heard, the following order was entered by the court:

261 In the District Court of the United States for the Northern District of Illinois, Eastern Division.

SATURDAY, FEBRUARY 4, 1922.

Present: Honorable George A. Carpenter, district judge.

UNITED STATES OF AMERICA, PLAINTIFF, *vs.* AMERICAN LINSEED COMPANY AND OTHERS, defendants.	No. 1490.

Order allowing appeal.

Be it remembered that in the above entitled cause, on the fourth day of February, 1922, the United States of America, petitioner,

appearing by counsel, presented and caused to be filed its petition praying an appeal to the Supreme Court of the United States from the final decree entered herein on the 8th day of December, 1921, and at the same time presented and caused to be filed its assignment of errors, all as required by the statutes and the rules of the court. On consideration thereof, it is hereby ordered that said appeal as prayed be, and is hereby, allowed, and the clerk of this court is hereby directed to transmit a duly authenticated transcript of the record, proceedings, papers, and evidence in said cause to the Supreme Court of the United States at the earliest practicable date.

Enter.

CARPENTER,
District Judge.

4th FEB., 1922.

261½ And on, to wit, the 4th day of Feb., 1922, came the plaintiff, by its attorneys, and filed in the clerk's office of said court a certain assignment of errors, in words and figures following, to wit:

262 In the District Court of the United States, for the Northern District of Illinois, Eastern Division.

UNITED STATES OF AMERICA, PLAINTIFF, v. AMERICAN LINSEED COMPANY AND OTHERS, defendants.	No. 1490. In Equity.

Assignment of Errors.

In support of its petition for an appeal from the final decree entered in this cause, the appellant, the United States of America, assigns errors as follows:

I.

The court erred in failing to adjudge and decree that the defendants had agreed, combined, and conspired to restrain, and were when the bill was filed engaging in a combination and conspiracy in restraint of, interstate trade and commerce in linseed oil, in violation of the act of Congress of July 2, 1890, known as the antitrust act.

II.

The court erred in failing to hold that defendants had agreed, combined, and conspired, and were engaging in a combination and conspiracy to suppress competition in prices amongst themselves in making sales of linseed oil for transportation in interstate and foreign commerce, in violation of said act.

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III.

The court erred in failing to hold that defendants had agreed, combined, and conspired, and were engaging in a combination and conspiracy, to enchance the prices at which linseed oil was sold for shipment, and was shipped, in interstate and foreign commerce, in violation of the provisions of said act.

IV.

The court erred in failing to hold that defendants had agreed, combined, and conspired, and were engaging in a combination and conspiracy, to retard the lowering of prices of linseed oil sold for shipment, and shipped in interstate and foreign commerce, in violation of the provisions of said antitrust act.

V.

The court erred in holding that a combination and conspiracy did not exist between the defendants to restrain the interstate and foreign trade and commerce in linseed oil by suppressing competition in the prices of such oil amongst the defendant manufacturers by enhancing the prices and also by retarding the reduction of the prices of such oil, by the methods described in the original bill.

VI.

The court erred in failing to enjoin the defendants from further carrying out or performing in any manner the contractual provisions or agreements among them described in the original bill, and from exchanging amongst themselves directly or indirectly, in any manner the information described therein, and from doing any further act whatsoever having the purpose or tendency to continue in effect the combination and conspiracy described to maintain and enhance the prices of linseed oil.

264

VII.

The court erred in finding the issues made by the pleadings for the defendants and against the plaintiff, and in dismissing the bill for want of equity.

Wherefore appellant, the United States of America, prays that the aforesaid decree of the District Court be reversed, and a decree be here entered for the plaintiff granting the relief prayed for in the original bill.

CHARLES F. CLYNE,
United States Attorney for the Northern District of Illinois.
J. A. FOWLER,
Special Assistant to the Attorney General.
C. STANLEY THOMPSON,
Special Assistant to the Attorney General.

(Endorsed: Filed Feb. 4, 1922. John H. R. Jamar, clerk.)

265 And afterwards on, to wit, the 8th day of February, 1922, this matter coming on to be heard, the following order was entered by the court:

266 In the District Court of the United States for the Northern District of Illinois, Eastern Division.

WEDNESDAY, FEB. 8, 1922.

Present: Honorable George A. Carpenter, district judge.

UNITED STATES OF AMERICA, PLAINTIFF,
vs.
AMERICAN LINSEED OIL COMPANY ET AL., defendants.
No. 1490.

The plaintiff above named having appealed the above-entitled suit to the Supreme Court of the United States, and having filed a praecipe with the clerk indicating the portions of the record to be incorporated into the transcript on such appeal, therefore upon motion of the defendants, it is ordered that the defendants have forty days thereafter to file with the clerk their praecipe indicating such additional portions of the record desired by them.

Enter.

CARPENTER,
District Judge.

Dated February 8th, 1922.

267 And on, to wit, the 9th day of February, 1922, came the plaintiff, by its attorneys, and filed in the clerk's office of said court a certain notice in words and figures following, to wit:

268 In the District Court of the United States for the Northern District of Illinois, Eastern Division.

UNITED STATES OF AMERICA, PLAINTIFF,
vs.
AMERICAN LINSEED COMPANY AND OTHERS, defendants.
In equity.
No. 1490.

Notice of filing of praecipe and lodgment of statement of evidence in narrative form.

CHICAGO, *February 4, 1922.*

SIRS: You are hereby notified that the United States has this day filed its praecipe with the clerk of the United States District Court for the Northern Dist. of Illinois, in case No. 1490 in equity, United States of America against American Linseed Company and

others, indicating the portions of the record to be incorporated into its transcript on its appeal, and has lodged with the clerk of said court a statement in narrative form of the evidence which it desires to be included in said transcript on its appeal.

You are further notified that on Thursday, February 16, 1922, at 10 o'clock a. m., or as soon thereafter as counsel can be heard, at Chicago, in the Northern District of Illinois, the United States will ask said District Court to approve said statement.

CHARLES F. CLYNE,
United States Attorney.
C. STANLEY THOMPSON,
Special Assistant to the Attorney General.

To John Walsh and L. A. Spiess, Southern Bldg., Washing-
269 ton, D. C.; A. N. Eastman, 900–108 S. La Salle St., Chicago, Ill.; Thomas M. Debevoise, Eugene Congleton, 62 Cedar St., New York, N. Y.; Willet M. Spooner, Pabst Bldg., Milwaukee, Wis.; Charles S. Reed, 1011 Leader News Bldg., Cleveland, Ohio.

(Endorsed:) Filed Feb. 9, 1922. John H. R. Jamar, Clerk.)

270 And on, to wit, the 10th day of Feb., 1922, three was filed in the clerk's office of said court a certain acknowledgments of service, in words and figures following to wit:

271 In the District Court of the United States for the Northern District of Illinois, Eastern Division.

UNITED STATES OF AMERICA, PLAINTIFF, *vs.* AMERICAN LINSEED COMPANY AND OTHERS, DEFENDANTS.	In equity. No. 1490.

Acknowledgement of service.

Service by receipt of copies is hereby acknowledged of praecipe, of notice of filing of praecipe and lodgement of statement of evidence in narrative form, and of citation in the above-entitled cause, this 6th day of February, 1922.

THOMAS M. DEBUME,
EUGENE CARGLETON,
Of counsel for defendants, American Linseed Company.
JOHN WALSH & L. A. SPREESS.
ALBERT N. EASTMAN.
NATIONAL LEAD COMPANY.
HIRSH & BEGLER LINSEED CO.
THE SHERWIN WILLIAMS CO.
CHARLES S. REED.
WILLET M. SPOONER.

(Endorsed:) Filed Feb. 10, 1922. John H. R. Jamar, clerk.

272 In the District Court of the United States, for the Northern District of Illinois, Eastern Division.

UNITED STATES OF AMERICA, PLAINTIFF,
vs.
AMERICAN LINSEED COMPANY AND OTHERS,
defendants.

Plaintiff's praecipe.

To the CLERK OF THE SAID COURT:

The United States of America desires the following portions of the record of the above entitled cause to be incorporated into the transcript on its appeal to the Supreme Court of the United States, namely, the petition of the plaintiff; the answers of the several defendants; all motions; orders of court; the opinion of the court, and the final decree filed in said cause; plaintiff's exhibits numbered as follows: 1a, 1b, 2, 3, 3b, 4, 5, 5½, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, and the minutes of the Armstrong Bureau offered in evidence but not given an exhibit number; defendants' exhibits numbered as follows: 2, 3, 17½, 18 to 24, both inclusive, 26 to 34, both inclusive; table of spread between the high and low prices, and chart of high and low prices offered in evidence but not given exhibit numbers; the evidence taken before the court as it is stated in narrative form in the transcript herewith lodged; also this praecipe, notice to counsel of its lodgment with the clerk and of the time and place when the plaintiff will ask the court to approve plaintiff's statement of the evidence which it desires the court to approve and make a part of the record, and the return of the officer or other proof of
273 service of said praecipe and notice, together with the petition of the United States for appeal, and its assign*emtn* of errors and all orders, citations, and decrees of said District Court made in connection therewith and in furtherance thereof.

CHARLES F. CLYNE,
United States Attorney.
C. STANLEY THOMPSON,
Special Assistant to the Attorney General.

(Endorsed: Filed Feb. 1, 1922. John H. J. Jamar, Clerk.)

274 And on, to wit, the 18th day of March, 1922, there was filed in the clerk's office of said court a certain stipulation, in words and figures following, to wit:

275 In the District Court of the United States, Northern District of Illinois, Eastern Division.

UNITED STATES OF AMERICA, PLAINTIFF, *v.* AMERICAN LINSEED COMPANY AND OTHERS, defendants.	In Equity. No. 1490.

Stipulation.

It is hereby stipulated and agreed:

(1) That the total sales of linseed oil by the members of the Linseed Oil Crushers Industrial Council, exclusive of subscribers No. 6 and No. 12, for the year 1919, as stated in plaintiff's Exhibit No. 10, an adding machine calculation based on plaintiff's Exhibit No. 9 (a tabulation showing the number of gallons of linseed oil sold during the period of October 1, 1918, to June 26, 1920, inclusive, as reported through the Armstrong Bureau), are as follows:

Zone 1	13,169,781	gallons.
" 2	9,496,177	"
" 3	14,283,257	"
" 4	308,349	"
" 5	126,469	"
" 6	172,361	"
" 7	241,340	"
" 8	682,036	"
Special cities	992,259	"
Total council member sales	39,472,029	"

(2) That this stipulation shall be substituted for and shall take the place of plaintiff's Exhibit No. 10 in the transcript on the appeal of the above-entitled cause to the Supreme Court of the United States.

C. STANLEY THOMPSON,
Special Assistant to the Attorney General.
JOHN WALSH,
_____ _____,
_____ _____,
Solicitors for defendants, Ankeney Linseed Mfg. Co., Archer-Daniels Linseed Co., Minnesota Linseed Oil Company, Northern Linseed Oil Company, Red Wing Linseed Oil Company, Toledo Seed & Oil Company, Mann Bros. Company, Julian Armstrong, Montague Ferry.
WILLET M. SPOONER,
Solicitor for William O. Goodrich Company.
CHARLES S. REID,
Solicitor for defendants, The Sherwin-Williams Company, National Lead Company, Hirst & Begley Linseed Company.

(Endorsed: Filed Mar. 18, 1922. John H. R. Jamar, clerk.)

276 And on, to-wit, the 18th day of March, 1922, there was filed in the clerk's office of said court a certain stipulation, in words and figures following, to-wit:

277 In the District Court of the United States, Northern District, of Illinois, Eastern Division.

UNITED STATES OF AMERICA, PLAINTIFF,
v.
AMERICAN LINSEED COMPANY AND OTHERS, defendants.
} In equity. No. 1490.

Stipulation.

It is hereby stipulated and agreed that the following portions of the record in the above entitled cause shall be incorporated into the transcript on the appeal to the Supreme Court of the United States, namely, the petition of the plaintiff; the answers of the several defendants; all motions and orders of the court; the opinion of the court and the final decree filed in said cause; plaintiff's exhibits numbered as follows: 1a, 1b, 2, 3, 3b, 4 to 7, both inclusive, 8 (pages 1 to 5, both inclusive) and 9 to 17, both inclusive; defendant's exhibits numbered as follows: 1, 2, 3, 5 to 24, both inclusive, 26 to 34, both inclusive, and 38; the evidence taken before the court as it is stated in narrative form in the transcript herewith filed; plaintiff's praecipe, notice to counsel of its lodgment with the clerk, and of the time and place for the plaintiff to request the court to approve the same, and the proof of service of said praecipe and notice, together with the petition of the United States for appeal and its assignment of errors; this stipulation, and all orders, citations and decrees of said District Court and all stipulations made in connection therewith and in furtherance thereof.

C. STANLEY THOMPSON,
Special Assistant to the Attorney General.
JOHN WALSH,
_____ _____,
_____ _____,
Solicitor for defendants, Ankeney Linseed Mfg. Company, Archer-Daniels Linseed Company, Minnesota Linseed Oil Company, Northern Linseed Oil Company, Redwing Linseed Oil Company, Toledo Seed & Oil Company, Mann Bros. Company, Julian Armstrong, Montague Ferry.
WILLET M. SPOONER,
Solicitor for Melion O. Goodrich Company.
CHARLES S. REED,
Solicitor for defendants, The Sherman-William Company, National Lead Company, Hirst & Begley Linseed Company.

(Endorsed: Filed Mar. 18, 1922.)

278 And afterwards on, to wit, the 18th day of March, 1922, this matter coming on to be heard, the following order was entered by the court:

279 In the District Court of the United States, Northern District of Illinois, Eastern Division.

MARCH 18TH, 1922.

Present: Honorable George A. Carpenter, district judge.

UNITED STATES OF AMERICA, PLAINTIFF,
v.
AMERICAN LINSEED COMPANY AND OTHERS, DEFENDANTS. } In equity, No. 1490.

Order.

Pursuant to the stipulation of the parties to the above-entitled cause filed therein this 18th day of March, 1922, the statement of the evidence in narrative form filed therewith is hereby approved as being a true, complete, and properly prepared statement of the evidence received on the trial of said cause; and said statement, the exhibits enumerated in said stipulation, and the pleadings, orders, motions, stipulations, and other proceedings in said cause, enumerated or mentioned in said stipulation, are hereby approved as constituting the evidence and proceedings in said cause material or pertinent to the appeal therein, and they are hereby made a part of the record for the purposes of the appeal.

Enter.

CARPENTER,
United States District Judge.

280 NORTHERN DISTRICT OF ILLINOIS,
Eastern Division, ss:

I, John H. R. Jamar, clerk of the District Court of the United States for the Northern District of Illinois, do hereby certify the above and foregoing to be a true and complete transcript of the proceedings had of record made in accordance with præcipe filed in this court in the cause entitled United States of America vs. American Linseed Company and others, No. 1490, as the same appear from the original records and files thereof now remaining in my custody and control.

In testimony whereof, I have hereunto set my hand and affixed the seal of said court at my office, in the city of Chicago, in said district, this 18th day of March, A. D. 1922.

[SEAL.] JOHN H. R. JAMAR,
Clerk.

281 UNITED STATES OF AMERICA, *ss:*

The President of the United States, to American Linseed Company, Ankeney Linseed Mfg. Company, Archer-Daniels Linseed

Company, William O. Goodrich Company, Hirst & Begley Linseed Company, Minnesota Linseed Oil Company, National Lead Company, Northern Linseed Oil Company, Red Wing Linseed Oil Company, The Sherwin-Williams Company, The Toledo Seed & Oil Company, The Mann Bros. Company, Julian Armstrong and Montague Ferry, greeting:

You are hereby cited and admonished to be and appear at a Supreme Court of the United States, at Washington, D. C., written thirty days from the date hereof, pursuant to order allowing appeal filed in the clerk's office of the District Court of the United States for the Northern District of Illinois, Eastern Division, wherein United States is appellant and you are appellees to show cause, if any there be, why the decree rendered against the said United States as in the said order mentioned, should not be corrected and why speedy justice should not be done to the parties in that behalf.

Witness the honorable George A. Carpenter, Judge of the District Court of the United States, this 4th day of February, in the year of our Lord one thousand nine hundred and twenty-two.

GEORGE A. CARPENTER,
Dist. Judge.

282-283 Endorsed: Equity No. 1490. Supreme Court of the United States. United States of America, plaintiff, appellant, vs. American Linseed Company and others, defendants, appellees. Citation to the Supreme Court of the United States. Filed Feb. 9, 1922. John H. R. Jamar, Clerk.

284 UNITED STATES OF AMERICA,
Northern District of Illinois, Eastern Division, ss:

I, John H. R. Jamar, clerk of the District Court of the United States for the Northern District of Illinois, do hereby certify that I herewith transmit to the United States Supreme Court certain original exhibits in the case entitled United States of America, plaintiff, vs. American Linseed Company and others, defendants, No. 1490, said exhibits are marked as follows, to wit: Plaintiff's Exhibits Nos. 1a, 1b, 2, 3, 3b, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17; defendants' Exhibits Nos. 1, 2, 5–24, inclusive, 26 to 34 and 38, both inclusive.

In testimony whereof, I have hereunto set my hand and affixed the seal of said court at my office in the city of Chicago, this 18th day of March, 1922.

[SEAL.] JOHN H. R. JAMAR, *Clerk.*

285 PLAINTIFF'S EXHIBIT 1A.

Service contract between Metzger Seed and Oil Co., Toledo, Ohio, and the Armstrong Bureau of Related Industries, Chicago, Illinois.

[Stamp:] "Armstrong Bureau of Related Industries, whose products manufactured marketed, and sold in strict accord with

a spirit of fairness to employee, competitor, and purchaser, need no greater surety of supreme quality."

It is understood and agreed as specifically set forth in this contract that the matter contained herein is for the exclusive and confidential use of the subscriber named above, and upon termination of this contract or revised printing of the same this copy is to be returned to the Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago, Illinois.

286 Subscription agreement for special statistical service with the Armstrong Bureau of Related Industries to be furnished to the crushers of flaxseed of the United States of America.

Whereas it is desired by the undersigned and other crushers of flaxseed (hereinafter designated as "subscribers" and referred to by the pronoun as herein used) to promptly and economically secure for themselves, from and through the undersigned Armstrong Bureau of Related Industries, of Chicago (hereinafter designated as the "bureau"):

(a) Comprehensive and reliable data and information as to market, trade, and manufacturing conditions in the linseed oil, flaxseed, cake, and meal industry of the United States and export fields;

(b) Economies in manufacture and sale to be effected by the frank exchange of true and accurate information pertaining thereto;

(c) The latest authentic information as to the credit standing of purchasers of their product;

(d) A broader market for cake and meal through educational campaigns to the farmer and stock raiser by pointing out to them the food and fertilizing values of the foregoing and also by cooperating with the U. S. Department of Agriculture to the same end;

(e) The establishment of uniform cost accounting systems throughout the industry;

(f) Also to at all times obtain, by cooperation with freight tariff boards, fair and just freight tariffs and classifications;

(g) And to establish and maintain definite standardizations of the products of the industry;

287 (h) To effect economies in the development of foreign markets and increase such sales;

(i) And, in so far as it may be lawful, to effect the stabilization of the flaxseed market and eliminate the speculative features therein;

(j) And by cooperation secure shipment of cake and meal to the consumer from the nearest point of production, thereby saving the loss incident to long and cross transportation.

All of which will promote better and more safe, sane, and stable conditions in the linseed oil, cake, and meal industry and increase its service to the Commonwealth.

Now, therefore, in consideration of the benefits that will accrue individually and collectively by and to each "subscriber" and the parties hereto and of the promises and agreements herein made and

other valuable considerations each to the other in hand paid, receipt of which is hereby acknowledged, the undersigned have and do hereby mutually agree as herein set forth and the undersigned "subscriber" does hereby subscribe to the service of said "bureau," as herein specified, for a period of one (1) year from the first day of September, 1918, or any then remaining portion of such period, and this contract shall stand renewed from year to year (dating from September first) unless previously cancelled as herein provided.

It shall be and is expressly understood and agreed, by each "subscriber" hereto, that all information reported to said "bureau" or distributed by it is and shall, at all times, be purely statistical and pertains and will pertain only to past transactions and that no part of the machinery of said "bureau" will be permitted to be used to fix prices for the sale of linseed oil, cake, or meal, or any other product, or to divide the territory, limit the sale, production, or manufacture thereof or to control competition, and no information shall under any circumstances whatsoever, be collected or distributed respecting any prices which any "subscriber" agrees to ask.

Each "subscriber" hereto recognizes that the efficiency of the "bureau" and the value of the information secured, collected,
288 and distributed by it and the benefits to be derived therefrom are dependent upon the accuracy, punctuality, and completeness of reports and information received from its "subscribers"; therefore each "subscriber" to this contract hereby further agrees, for himself and all those whom he can lawfully control:

To promptly make, have made, forward and have sent in and to said "bureau," as and in the form required by this agreement, full, accurate, complete, signed and certified reports of all said sales, quotations and offerings or other information required by the "bureau" and full, correct replies or answers to any and all inquiries concerning the same or seeking any information in regard thereto; and

On request at once turn and have turned over to the "bureau's" auditor for examination all vouchers, books of account, correspondence, and such other evidence or documents as he may request or, in lieu of the same or any part thereof, such abstracts therefrom as he may designate, verified under oath and certified by a certified public accountant in good standing:

If any "subscriber" considers that it has good cause to question the report made by any other "subscriber" then it may request an investigation or audit to be made by the "bureau" and, if considered proper by the "bureau," it will be so made. All expenses incident to any investigation shall be paid by the "subscriber" or "subscribers" found in error as the result of such investigation and in no event by the "bureau."

The undersigned "subscriber," upon the execution and delivery of this agreement, has and does hereby deposit with said "bureau" "Liberty bonds" in an amount computed at the rate of $1,000, par value, for each six presses or fractions thereof by it operated, at the

time of the execution hereof, in its various mills: provided, however, the amount of such deposit shall not be less than $1,000 nor in excess of $10,000; and

Should the undersigned "subscriber" fail, in any manner whatsoever, to comply with any of the terms of this agreement or with any and all reasonable requirements of said "bureau"
289 then it shall and does hereby forfeit to said "bureau" all money paid for services and all further benefits and rights under this agreement; which forfeiture, for just cause, may be declared by said "bureau" and shall also forfeit all further right, title, or interest in and to said bonds (so on deposit) in whole or in part as may be determined by the "appellate council" as in this contract provided; that is:

Upon such forfeiture being declared, any "subscriber" shall have the right of immediate appeal therefrom to an "appellate council" of three representatives to be chosen from among the other "subscribers" to this service and agreement—that is, to be drawn by blind ballot as follows:

A box containing the names of all "subscribers" hereto, excepting of course such offender (each name on a separate card), shall be at once prepared and within 10 days thereafter three names shall be drawn from this box by the "chairman" or one of the officers elected by the "subscribers" at their annual meeting as herein provided, which names so drawn from this box shall compose this "appellate council," which shall at once be given all the findings of the "bureau" and shall promptly review the entire matter and pass final judgment expressed by a majority vote, which judgment shall be final and binding and from which there shall be no further appeal or other redress or resort to law or otherwise. Said "appellate council" may reinstate such "subscriber" to the service of the "bureau" or take any other action that it sees fit, excepting that any fine levied by such council shall not exceed the amount of that "subscriber's" said deposit with the "bureau."

Should any person so chosen, for any cause not serve, his successor shall be chosen in like manner.

In event of any such forfeiture the "appellate council" shall be at once convened in the above manner; and

(a) Review said findings of the "bureau" if so requested;

(b) Determine the expenses incurred and loss sustained by said "bureau" occasioned by said breach of contract;

290 (c) The expenses of calling, convening, and operation of such council and its members in its work;

(d) Any other expenses occasioned the parties in interest incident to said breach; and

Designate one of its members to make sale of sufficient of said bonds, so deposited by said "subscriber," to repay the sums above specified and which shall be by it then paid and, as a further penalty, to (in proper form) mark canceled and return to the Government without charge (the same thereby so escheating to the Government)

all or any part or portion of the remainder of said bonds, as in its arbitrary judgment it may direct. Said "appellate council" shall also have the right to reinstate said "subscriber" and return to it the remainder of said bonds, provided it shall then and there and at that time make a further deposit with said "bureau" of other "Liberty bonds" which, together with said remainder, shall amount to its original deposit.

The judgment of said "appellate council" shall be final and binding upon all of the parties concerned and from which there shall be no appeal or other recourse.

Said bonds so deposited with said "bureau" shall be by it (until otherwise disposed of as herein provided) held in trust and all interest collected or paid to it while thus in its custody shall be promptly accounted for and paid over to the respective parties in interest and all bonds remaining in its possession at the termination of this contract and not previously disposed of as herein provided shall be by it surrendered and turned back to the respective "subscriber" without further change in the premises.

SERVICE CHARGE. The undersigned "subscriber" hereby further agrees to pay said "bureau" for each year's statistical service the sum of 50c for each thousand bushels of flaxseed milled by such "subscriber" during the last twelve (12) months prior to the date of this contract, which total sum thus computed shall be divided into four equal parts and be by the undersigned "subscriber" paid, "one part"
each quarter in advance; the first payment to be made upon
291 the ensealing and delivery of this contract. At the close of each year of this contract this annual charge shall be recomputed at the same rate but on the basis of the last preceding fiscal year's milling of flaxseed by the undersigned, but in no event (regardless of any such computation) shall the fees thus paid by the undersigned "subscriber" for any fiscal year amount to less than $500.

Any "subscriber," in good standing, by giving written notice of its desire so to do, may have this agreement canceled and service discontinued at the end of the next succeeding quarter for which payment is so to be made, as herein provided, by serving written notice on the "bureau" of such desire at the time of the payment of the succeeding quarterly payment and the "bureau" may also cancel the same at any time by sending, by registered mail, written notice of such cancellation to each "subscriber" of this and duplicate agreements at least ninety days before the date of such cancellation.

SERVICE OF THE BUREAU.—With the help of each and every "subscriber" to this agreement which each signing this agreement hereby agrees to give, the "bureau" agrees:

(a) To undertake and use its best efforts to organize hereunder and for the purpose hereof the Linseed Oil, Cake, and Meal Industry of the United States; and

(b) To at once afford the "subscriber" the full statistical service of the "bureau" for the exchange of the following statistical information:

(aa) Quotations;—(bb) sales;—(cc) shipments;—(dd) production;—(ee) terms; and

(c) To afford the industry the service of its credit reporting department and, by a careful study of the marketing and distributing problems of the industry, to suggest, from time to time, the method and means for broader service.

When the industry shall require additional service, other than that so specifically covered in the above paragraphs "a," "b," and "c," it shall be supplied by the "bureau" at a special additional rate to be then determined.

292 MEETINGS.—It is agreed:

(a) Monthly meetings will be held of all subscribers hereto at some convenient center;

(b) Due notice of said meetings will be sent out by the "bureau" to each "subscriber" hereto two weeks in advance of the meeting date;

(c) At these meetings said "subscribers" shall annually choose their chairman and such other officers as desired, but some representative of the "bureau" shall at all times act as secretary and shall present to the meeting any and all matters pertaining to the linseed oil, cake, and meal industry to be therein openly discussed for the benefit of the industry and the public welfare;

(d) "Subscribers" may send in to the "bureau" notice of such matters or topics as they may wish to have discussed at these meetings and if such matters are in accord with the spirit and letter of this agreement and the object of the service, then the "bureau" shall cause the same to be properly docketed and presented to the meeting;

(e) All "subscribers" shall report at these meetings on all matters and conditions within their knowledge affecting the industry and within the limits of this agreement that they may be there discussed for mutual benefit;

(f) When questions arise as to incurring financial obligations not provided for and subscribed to in this contract, the same shall be decided by a two-thirds majority vote of all "subscribers" hereto by special ballot as follows:

(g) Each "subscriber" present shall have one vote for each thousand bushels of flaxseed which is the basis for computing that "subscriber's" current year's service fee to the "bureau";

(h) A quorum shall obtain at any meeting of "subscribers" and only where there are sufficient present to represent two-thirds of the votes of all of the "subscribers" on the basis as determined in the preceding paragraph.

Any member of a partnership, which is a "subscriber" hereto,
293 or any officer of a corporation, which is such "subscriber," appointed by resolution of its board of directors and presenting a certified copy thereof, may act in behalf of said "subscriber" in all matters pertaining to this contract and the undersigned "subscriber" agrees to be fully bound thereby.

Any "subscriber" failing to attend in person or by said representative at each of these meetings and be in punctual and continued

attendance thereon shall be subject to a fine of twenty-five dollars ($25.00) for each offense, the same to be collected by and payable to the "bureau." This fine may be remitted by a majority vote of the members present at the meeting where it is incurred.

STATISTICAL SERVICE.—The statistical service so to be furnished by the "bureau" shall be accomplished and provided by the use of special reporting forms conveying information on past transactions as outlined herein and which may be modified, changed, and others provided as experience suggests or as called for by the "subscribers" in any of their meetings and approved by the "bureau."

DAILY MARKET INFORMATION.—The undersigned and each "subscriber" hereto agrees:

(a) To immediately, and when and as hereafter issued, to deposit with the "bureau" all published price lists of the undersigned covering raw and boiled linseed oil, cake, and meal;

(b) Also telegraph report to the "bureau" duplicate of all quotations made at variance to above price lists, giving better terms to the contemplated purchaser than those quoted;

(c) With all reports made in compliance with the above paragraph "b" of quotations which amount to one carload or more of oil, cake, or meal there shall also be reported therewith the prospective buyer's name, address, and f. o. b. point of shipment.

(d) In so far as the above reports "a," "b," and "c" do not disclose the following the undersigned "subscriber" agrees to give the following information in connection therewith, that is: The
294 exact prices, terms, and discounts—and whether made to jobber, dealer, or consumer—and in what quantities, carload or less than carload, and warehouse or mill prices;

(e) Also to promptly report all changes in and alterations or withdrawals made of the above, of every kind whatsoever, that may be made;

(f) Also to promptly report by telegraph all orders received by the undersigned "subscriber" in response to special quotations made as above provided in paragraph "c," designating the quotation which is the basis of such order and any variance therefrom.

All of the foregoing information will promptly be cleared and relayed by the "bureau" to the respective "subscribers" hereunder with the following exceptions, that is:

That the report of sale (except as otherwise herein provided) and the name of the buyer or prospective buyer will only be given in clearing the information received in pursuance of the above paragraphs "c" and "f," and then only be so relayed and reported to those (and those alone) filing quotations for the same buyer or contractor and which show that they are and have been competing for the same order.

Should information be received by the "bureau," in pursuance of the foregoing, by virtue of which the "subscriber" is entitled to information not already relayed, the "bureau" agrees to promptly forward the same to him.

REPORT OF SALES:

(a) DAILY SALES REPORTS.—Directly at the close of each day's business each "subscriber" shall mail by special delivery to the "bureau" a complete report of all his carload sales for that day of oil, cake, or meal not covered by his previous daily reports, which report shall disclose the quantity and kind, price, and terms, and whether for immediate or future delivery, and if no sale has been so made, this fact shall be likewise reported, which information will be daily relayed to each "subscriber" in good standing.

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(b) WEEKLY REPORT OF SALES.—For the purpose of compiling this report a map of the United States shall be divided into zones as agreed upon by all of the "subscribers" to this service, and each "subscriber" at the conclusion of the week shall send to the "bureau" by special delivery, not later than the following Monday night, a compiled report of all of its sales of oil, cake, or meal into each zone made during the period covered by such report and not previously so reported, specifically setting forth the following:

(a–a) Total gallons of oil sold into each zone, also showing the total gallons and price per gallon received of any oil sold at less than its published price list.

(b–b) Total tonnage of cake and meal sold into each zone, also showing total weight and price received per ton of any cake or meal sold at less than its published price list.

(c–c) Sales reports on both oil, cake, and meal shall differentiate spot and future delivery, giving period of such futures.

NOTE.—All export sales of oil, cake, and meal shall be specially reported as above and the bureau will relay all this information to all subscribers in good standing.

SUBSCRIBER'S REPORT OF STOCK ON HAND.—The undersigned agrees, on or before the 10th day of each calendar month, to report to the "bureau":

(a) The number of gallons of oil on hand not covered by sale or contract.

(b) The total tons of meal or cake on hand and not covered by sale or contract, which information, in the same manner as the weekly report of sales, will be monthly relayed by the "bureau" to each "subscriber" in good standing.

SPECIAL MARKET INFORMATION.—Any "subscriber" who has made offerings or quotations to a prospective buyer and is advised by such buyer that he is not to be awarded such business for any reason whatsoever shall have the right to immediately advise the "bureau" of such unsuccessful offering or quotation, giving all details of such bid or offering, and may then request the "bureau" to bulletin all of its "subscribers," asking specific information regarding any quotation or sale to such prospective buyer by any of the other "subscribers," and the "bureau," on receipt of such request, will immediately bulletin all "subscribers" asking therefor, and on receipt of replies will send out a compilation report

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thereof to all "subscribers," together with the details of sale, if such a sale has been reported, so that all "subscribers," including the original inquirer, will have a complete report of this transaction.

On receipt of a request for such specific information from the "bureau" all the undersigned "subscribers" will immediately reply to same giving full information as to any quotation or sale which they may have made to such a buyer and, if they have made none, so report.

GENERAL MARKET INFORMATION.—The "bureau" will send to its "subscribers" in the form of marked letters "news clippings" of interest to the industry which may be gathered by the "bureau" or which may be submitted by the "subscribers" as being of interest to the industry; providing, however, that all such information to be so distributed is in accordance with the object and terms of this agreement.

MARKET INFORMATION ON SPECIAL OILS NOT OF GENERAL INTEREST TO THE INDUSTRY.—"Subscribers" manufacturing and selling so-called "special oils" in competition with a limited number of the "subscribers" to this service may exchange through the "bureau" quotations, sales, or offerings on such oils which information will be mailed as herein provided, but on an exchange basis only, *i. e.*, like information for like information, and to the extent to be hereafter determined by the "bureau."

It is expressly understood that all reasonable modifications or changes in the foregoing requirements as to reports and the relaying of such affecting alike all "subscribers" may be from time
297–299 to time made by the "bureau and its instructions shall be followed, and that no "subscriber" has or hereby assumes any responsibility of any name, nature, description and kind whatsoever for any act or failure to act on the part of the "bureau" or any other "subscriber" hereto.

And the contents hereof will not be disclosed to any person whomsoever, except to other like "subscribers" and to those lawfully entitled thereto, and on the termination hereof this document will be surrendered to said "bureau."

In witness whereof, the undersigned have hereunto affixed their hands and seals this —— day of ——— 19——.

——— ———

By ——— ———

Its ——— "*Subscriber.*"

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

By ——— ———

Its ——— "*Bureau.*"

300 PLAINTIFF'S EXHIBIT 1B.

Service contract between and the Armstrong Bureau of Related Industries, Chicago, Illinois.

[Stamp:] "Armstrong Bureau of Related Industries, whose products manufactured, marketed, and sold in strict accord with a spirit

of fairness to employee, competitor, and purchaser need no greater surety of supreme quality."

It is understood and agreed as specifically set forth in this contract that the matter contained herein is for the exclusive and confidential use of the subscriber named above, and upon termination of this contract or revised printing of the same this copy is to be returned to the Armstrong Bureau of Related Industries, 11 La Salle Street South, Chicago, Illinois.

190623–6

301 Subscription agreement for Special Statistical Service with the Armstrong Bureau of Related Industries to be furnished to the Crushers of Flaxseed of the United States of America.

Whereas it is desired by the undersigned and other crushers of flaxseed (hereinafter designated as "subscribers" and referred to by the pronoun as herein used) to promptly and economically secure for themselves, from and through the undersigned Armstrong Bureau of Related Industries, of Chicago (hereinafter designated as the "bureau"):

(a) Comprehensive and reliable data and information as to market, trade, and manufacturing conditions in the linseed oil, cake, and meal industry of the United States and export fields;

(b) Economies in manufacture and sale to be effected by the frank exchange of true and accurate information pertaining thereto;

(c) The latest authentic information as to the credit standing of purchasers of their product;

(d) A broader market for cake and meal to the farmer and stock raiser by pointing out to them through educational campaigns the food and fertilizing values of the foregoing and also by cooperating with the U. S. Department of Agriculture to the same end;

(e) The establishment of uniform cost accounting systems throughout the industry;

(f) Also to at all times obtain, by cooperation with freight tariff boards, fair and just freight tariffs and classifications;

(g) And to establish and maintain definite standardizations of the products of the industry;

302 (h) To effect economies in the development of foreign markets and increase such sales;

(i) And, in so far as it may be lawful, to effect the stabilization of the flaxseed market and eliminate the speculative features therein;

(j) And by cooperation to secure shipment of cake and meal to the consumer from the nearest point of production, thereby saving the loss incident to long and cross transportation:

All of which will promote better and more safe, sane, and stable conditions in the linseed oil, cake, and meal industry and increase its service to the commonwealth.

Now, therefore, in consideration of the benefits that will accrue individually and collectively by and to each "subscriber" and the

parties hereto and of the promises and agreements herein made and other valuable considerations each to the other in hand paid, receipt of which is hereby acknowledged, the undersigned have and do hereby mutually agree as herein set forth and the undersigned "subscriber" does hereby subscribe to the service of said "bureau," as herein specified, for a period of one (1) year from the first day of October, 1919, or any then remaining portion of such period, and this contract shall stand renewed from year to year (dating from October first) unless previously canceled as herein provided.

It shall be and is expressly understood and agreed, by each "subscriber" hereto, that all information reported to said "bureau" or distributed by it is and shall, at all times, be purely statistical and pertains and will pertain only to *past* operations and that no part of the machinery of said "bureau" will be permitted to be used to fix prices for the sale of linseed oil, cake, or meal, or any other product, or to divide the territory, limit the sale, production, or manufacture thereof or to control competition.

Each "subscriber" hereto recognizes that the efficiency of the "bureau" and the value of the information secured, collected, and distributed by it and the benefits to be derived therefrom
303 are dependent upon the accuracy, punctuality, and completeness of reports and information received from its "subscribers"; therefore each "subscriber" to this contract hereby further agrees, for itself and all those whom it can lawfully control:

To promptly make, have made, forward, and have sent in and to said "bureau," as and in the form required by this agreement, full, accurate, complete, signed, and certified reports of all said sales, quotations, and offerings or other information required by the "bureau" and full, correct replies or answers to any and all inquiries concerning the same or seeking any information in regard thereto; and

On request at once turn and have turned over to the "bureau's" auditor for examination all vouchers, books of account, correspondence, and such other evidence or documents as he may request or, in lieu of the same or any part thereof, such abstracts therefrom as he may designate, verified under oath and certified by a certified public accountant in good standing.

If any "subscriber" considers that it has good cause to question the report made by any other "subscriber" then it may request an investigation or audit to be made by the "bureau" and, if considered proper by the "bureau," it will be so made. All expenses incident to any investigation shall be paid by the "subscriber" or "subscribers" found in error as the result of such investigation and in no event by the "bureau."

BOND DEPOSIT.—The undersigned and each "subscriber" to these agreements, upon the execution and delivery thereof, has and does deposit with said "bureau" Liberty bonds in an amount computed at the rate of $1,000, par value, for each six presses or fractions

thereof by it operated, at the time of the execution hereof, in its various mills; provided, however, the amount of such deposit shall be not less than $1,000 nor in excess of $10,000; and at the close of each contract year the amount of this bond deposit shall be so readjusted on the same basis.

304 At the first meeting of the "subscribers" hereto they shall select, by a majority vote, two of their members to act with the representative of said "bureau" as a "bond committee," which committee shall at once select a suitable safety deposit vault and deposit therein all bonds so deposited with said "bureau," and access to said vault and deposited bonds therein shall be had only by said bureau's representative jointly with at least one other of said "committee" the members of which may be from time to time changed by vote of the "subscribers" and the bureau's representative may be likewise changed by it.

Should the undersigned "subscriber" fail, in any manner whatsoever, to comply with any of the terms of this agreement or with any and all reasonable requirements of said "bureau" then it shall and does hereby forfeit to said "bureau," at its election, all money paid for services and all further benefits and rights under this agreement; which forfeiture, for just cause, may be declared by said "bureau," evidenced by written notice thereof mailed to said offender by U. S. registered mail, and such "subscriber" shall thereby forfeit all further right, title, or interest in and to said bonds (so on deposit) in whole or in part, and such action shall be subject to revision only by the "appellate council" as in this contract provided; that is:

Upon such forfeiture being so declared, any "subscriber" (upon giving notice to the "bureau" by U. S. registered mail within twenty days after the mailing of the above forfeiture notice by the "bureau") shall have the right of appeal therefrom to an "appellate council" consisting of three representatives to be chosen from among the other "subscribers" to this agreement; to be selected and become operative in the following manner, that is:

Upon receiving such notice of appeal, a box containing the names of all "subscribers" hereto, excepting, of course, such offender (each name on a separate card) shall be at once prepared and within ten days thereafter three names shall be drawn from this box by the "chairman" then in office or one of the officers elected by the

305 "subscribers" at their regular meetings as herein provided, which names so drawn from this box shall compose this "appellate council," and the name first drawn shall act as "chairman"; and, should any person so chosen, for any cause, not serve his successor shall be chosen in like manner; and

Such "appellate council" shall be at once convened by the chairman and to which shall at once be given all the findings of the "bureau," and "council" shall promptly review the entire matter in any manner it considers appropriate and pass final judgment which shall be expressed by a majority vote and shall be final and

binding and from which there shall be no further appeal or other redress or resort to law or otherwise and in so doing said "appellate council" may:

(a) Reinstate such "subscriber" to the service of the "bureau" or take any other action that it sees fit, excepting that any fine levied by such "council" shall not exceed the amount of that "subscriber's" said deposit with the "bureau;" and

(b) Determine the expenses incurred and loss sustained by said "bureau" occasioned by said breach of contract; and

(c) The expenses of calling, convening, and the operations of such "council" and its members in its work, and any other expenses occasioned the parties in interest incident to said breach; and

(d) Render its final judgment and in so doing may direct said "committee" to make sale of sufficient of said bonds, so deposited by said "subscriber," to repay the sums above specified and which shall be at once done by the "committee," and

(e) As a further penalty all or any part or portion of the remainder of said bonds may be turned over to the Red Cross or some other national charity selected by majority vote of the "subscribers" as in its arbitrary judgment it may direct.

(f) It may return the remainder, if any, of said bonds to the depositing "subscriber," in which event such "subscriber" shall then and there and at that time (if reinstated) make a further
306 deposit with said "bureau" of other Liberty bonds, which together with said remainder to be then redeposited shall amount to the original deposit.

Said bonds so deposited with said "bureau" shall be (until otherwise disposed of as herein provided) so held in trust, and all interest collected or paid while thus in custody shall be promptly accounted for and paid over to the respective parties in interest, and all bonds remaining at the termination of this contract and not previously disposed of as herein provided shall be surrendered and turned back to the respective "subscriber" without further charge in the premises.

SERVICE CHARGE.—The undersigned "subscriber" hereby further agrees to pay to said "bureau" for each year's statistical service a total sum computed on the number of bushels of flaxseed milled by such "subscriber" during the preceding twelve (12) months, estimated and arrived at in the following manner; that is:

(a) For the first 100,000 bushels it shall pay a charge of eight dollars ($8.00) per thousand for each one thousand bushels or fraction thereof;

(b) For the second 100,000 bushels it shall pay a charge of four dollars ($4.00) per thousand for each one thousand bushels or fraction thereof;

(c) For the third 100,000 bushels it shall pay a charge of two dollars ($2.00) per thousand for each one thousand bushels or fraction thereof;

(d) For all amounts over and above 300,000 bushels it shall pay a charge of one dollar ($1.00) per one thousand bushels or fraction thereof;

The total sum thus computed shall be divided into four equal parts and shall be by the undersigned "subscriber" paid "one part" each quarter in advance, the first payment to be made upon the ensealing and delivery of this contract. At the close of each year of this contract this annual charge shall be recomputed at the same rate but on the basis of the last contract year's milling of flaxseed by the undersigned, but in no event (regardless of any such computation) shall the fees thus paid by the undersigned
307 "subscriber" for any fiscal year amount to less than eleven hundred dollars ($1,100).

CANCELLATION OF CONTRACT.—Any "subscriber," in good standing, by giving written notice to the "bureau" by U. S. registered mail of its desire so to do, may have this agreement canceled and service discontinued thirty days after the date of mailing such notice, and the "bureau" may also cancel the same at any time under the same conditions and in similar manner.

SERVICE OF THE BUREAU.—With the help of each and every "subscriber" to this agreement which each signing this agreement hereby agrees to give, the "bureau" agrees:

(a) To undertake and use its best efforts to organize hereunder and for the purpose hereof the linseed oil, cake and meal industry of the United States; and

(b) To at once afford the "subscriber" the full statistical service of the "bureau" for the exchange of the following statistical information:

(aa) Quotations; (bb) sales; (cc) shipments; (dd) production; (ee) terms; and

(c) To afford the industry the service of its credit reporting department and, by a careful study of the marketing and distributing problems of the industry, to suggest, from time to time, the method and means for broader service.

When the industry shall require additional service, other than that so specifically covered in the above paragraphs "a," "b" and "c," it shall be supplied by the "bureau" at a special additional rate to be then determined.

MEETINGS.—It is agreed:

(a) Monthly meetings will be held of all subscribers hereto at some convenient center;

(b) Due notice of said meetings will be sent out by the "bureau" to each "subscriber" hereto two weeks in advance of the meeting date;

(c) At these meetings said "subscribers" shall annually choose their chairman and such other officers as desired, but some
308 representative of the "bureau" shall at all times act as secretary and shall present to the meeting any and all matters pertaining to the linseed oil, cake and meal industry to be therein

openly discussed for the benefit of the industry and the public welfare;

(d) "Subscribers" may send in to the "bureau" notice of such matters or topics as they may wish to have discussed at these meetings and if such matters are in accord with the spirit and letter of this agreement and the object of the service, then the "bureau" shall cause the same to be properly docketed and presented to the meeting;

(e) All "subscribers" shall report at these meetings on all matters and conditions within their knowledge affecting the industry and within the limits of this agreement that they may be there discussed for mutual benefit;

(f) When questions arise as to incurring financial obligations not provided for and subscribed to in this contract, the same shall be decided by a two-thirds majority vote of all "subscribers" hereto by special ballot as follows:

(g) Each "subscriber" present shall have one vote for each thousand bushels of flaxseed which is the basis for computing that "subscriber's" current year's service fee to the "bureau";

(h) There shall be no quorum present at any meeting of "subscribers" for the transaction of business other than to adjourn unless there are sufficient present to represent two-thirds of the votes of all of the "subscribers" on the basis as determined in the preceding paragraph.

Any member of a partnership, which is a "subscriber" hereto, or any agent of a corporation, which is such "subscriber," appointed by resolution of its board of directors and presenting a certified copy thereof, may act in behalf of said "subscriber" in all matters pertaining to this contract and the undersigned "subscribers" agrees to be fully bound thereby.

Any "subscriber" failing to attend in person or by said representative at each of these meetings and be in punctual and con-
309 tinued attendance thereon shall be subject to a fine of twenty-five dollars ($25.00) for each offense, the same to be collected by and payable to the "bureau." This fine may be remitted by a majority vote of the members present at the meeting where it is incurred.

STATISTICAL SERVICE.—The statistical service so to be furnished by the "bureau" shall be accomplished and provided by the use of special reporting forms conveying information on past transactions as outlined herein and which may be modified, changed, and others provided as experience suggests or as called for by the "subscribers" in any of their meetings and approved by the "bureau."

DAILY MARKET INFORMATION.—The undersigned and each "subscriber" hereto agrees:

(a) To immediately, and when and as hereafter issued, deposit with the "bureau" all published price lists of the undersigned covering raw and boiled linseed oil, cake and meal;

(b) Also to report to the "bureau" by prepaid telegraph, and further confirm by mail, duplicate of all quotations made at variance with above price lists, giving better terms to the contemplated purchaser than those quoted;

(c) With all reports made in compliance with the above paragraph "b" of quotations which amount to one carload or more of oil, cake or meal there shall also be reported at the same time and in the same manner the prospective buyer's name, address, and f. o. b. point of shipment;

(d) In so far as the above reports "a," "b," and "c" do not disclose the following, the undersigned "subscriber" agrees to give the following information in connection therewith, that is: the exact prices, terms, and discounts—and whether made to jobber, dealer, or consumer—and in what quantities, carload or less than carload, and warehouse or mill prices;

(e) Also to promptly report all changes in and alterations or withdrawals of the above, of every kind whatsoever, that may be made;

(f) Also to promptly report by prepaid telegraph, and
310 further confirm by mail, all orders received by the undersigned "subscriber" in response to special quotations made as above provided in paragraph "c," designating the quotation which is the basis of such order and any variance therefrom.

REPORTS OF SALES:

(a) DAILY SALES REPORT.—Directly at the close of each day's business each "subscriber" shall mail by special delivery to the "bureau" a complete report of all its carload sales for that day of oil, cake or meal, not covered by its previous daily sales reports, which report shall disclose the quantity and kind, price and terms, and whether for immediate or future delivery, and if no sale has been so made, this fact shall be likewise reported.

(b) WEEKLY SALES REPORT.—For the purpose of compiling this report a map of the United States shall be divided into zones as agreed upon by all of the "subscribers" to this service, and each "subscriber" at the conclusion of the week shall send to the "bureau" by special delivery, not later than the following Monday night, a compiled report of all of its sales of oil, cake or meal into each zone made during the period covered by such report and not previously so reported, specifically setting forth the following:

(a–a) Total gallons of oil sold into each zone, also showing the total gallons and price per gallon received for such oil sold.

(b–b) Total tonnage of cake and meal sold into each zone, also showing total weight and price received per ton for such cake or meal sold.

(c–c) Sales reports on both oil, cake and meal shall differentiate spot and future delivery, giving period of such futures.

REPORT OF STOCK ON HAND.—The undersigned agrees on or before the 10th day of each calendar month to report to the "bureau":

(a) The number of gallons of oil on hand not covered by sale or contract.

(b) The total tons of meal or cake on hand not covered by sale or contract.

311 All of the foregoing market information as received by the "bureau" will be promptly cleared and relayed by it to the undersigned "subscriber" and to all other "subscribers" in good standing.

SPECIAL MARKET INFORMATION.—Any "subscriber" who has made offerings or quotations to a prospective buyer and is advised by such buyer that it is not to be awarded such business shall have the right to immediately advise the "bureau" of such unsuccessful offering or quotation giving all details of such bid or offering, and may then request the "bureau" to bulletin all of its "subscribers" asking specific information regarding any quotation or sale to such prospective buyer by any of the other "subscribers" and the "bureau," on receipt of such request, will immediately bulletin all "subscribers" asking therefor and on receipt of replies will send out a compilation report thereof to all "subscribers," together with the details of sale, if such a sale has been reported, so that all "subscribers," including the original inquirer, will have a complete report of this transaction.

On receipt of a request for such specific information from the "bureau," the undersigned "subscriber" will immediately reply to same giving full information as to any quotation or sale which it may have made to such a buyer and, if it has made none, so report.

GENERAL MARKET INFORMATION.—The "bureau" will send to its "subscribers" in the form of market letters "news clippings" of interest to the industry which may be gathered by the "bureau" or which may be submitted by the "subscribers" as being of interest to the industry; providing, however, that all such information to be so distributed is in accordance with the object and terms of this agreement.

MARKET INFORMATION ON SPECIAL OILS NOT OF GENERAL INTEREST TO THE INDUSTRY.—"Subscribers" manufacturing and selling so-called "special oils" in competition with a limited number of the "subscribers" to this service may exchange through the "bureau" quotations, sales, or offerings on such oils which information will

312 be mailed as herein provided, but on an exchange basis only, i. e., like information for like information, and to the extent to be hereafter determined by the "bureau."

CREDIT INFORMATION.—It is agreed that each "subscriber" will give to the "bureau" on receipt of a request for such information, any and all information which it may have pertaining to any buyer of linseed oil, cake, and meal and each "subscriber" may in turn request the "bureau" to secure such credit information from all "subscribers," provided that in making such a request it shall have an order or an account with, or an inquiry from, the company or

individual on whom such information is desired, and this information thus obtained will be promptly relayed to all "subscribers" interested.

For the transmission and handling of such credit information the "bureau's" regular standard forms will be provided and used.

It is expressly understood that all reasonable modifications or changes in the foregoing requirements as to reports and the relaying of such affecting alike all "subscribers" may be from time to time made by the "bureau" and its instructions shall be followed, and that no "subscriber" has or hereby assumes any responsibility of any name, nature, description and kind whatsoever for any act or failure to act on the part of the "bureau" or any other "subscriber" hereto.

And it is further understood and agreed by the undersigned "subscriber" that all information received by it from the "bureau" or any of the meetings of its "subscribers" will be treated in complete confidence by it and will not be disclosed to any person whomsoever, except to other like "subscribers" and to those lawfully entitled thereto, and the contents of this contract will be treated in like manner by it, and on the termination hereof this document will be surrendered to said "bureau."

313–316 In witness whereof, the undersigned have hereunto affixed their hands and seals this —— day of ——— 19—

——— ———

By ——— ———

Its ——— "*Subscriber.*"

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

By ——— ———

Its ——— "*Bureau.*"

317 PLAINTIFF'S EXHIBIT 2.

[Armstrong Bureau of Related Industries.]

Telegraphic price changes.

318 (Nov. 25-30th).

PERIOD NOVEMBER 25TH-29TH, 1918. $1.53.

Order.	Subscriber.	Filed.	Received.	Relayed.
1	Spencer Kellogg	3.00 p. m. Nov. 25th.	3.35 p. m. Nov. 25th.	3.45 p. m. Nov. 25.
2	Midland Linseed	9.23 a. m. Nov. 26th.	9.57 a. m. Nov. 26th.	10.05 a. m. Nov. 26.
3	Archer-Daniels	10.00 a. m. Nov. 26th.	10.35 a. m. Nov. 26th.	10.45 a. m. Nov. 26.
4	Hirst & Begley	(Telephoned)	11.07 a. m. Nov. 26th.	11.15 a. m. Nov. 26.
5	Northern	11.17 a. m. Nov. 26th.	11.57 a. m. Nov. 26th.	12.05 p. m. Nov. 26.
6	Red Wing	11.39 a. m. Nov. 26th.	1.15 p. m. Nov. 26th.	1.25 p. m. Nov. 26.
7	Minnesota	12.06 p. m. Nov. 26th.	12.5[illegible] m. Nov. 26th.	1.05 p. m. Nov. 26.
8	Wm. O. Goodrich	12.09 p. m. Nov. 26th.	12.5[illegible] m. Nov. 26th.	1.05 p. m. Nov. 26.
9	Ankeney	12.42 p. m. Nov. 26th.	1.15 p. m. Nov. 26th.	1.20 p. m. Nov. 26.
10	American	3.20 p. m. Nov. 26th.	3.15 p. m. Nov. 26th.	3.20 p. m. Nov. 26.
11	National Lead:			
	(1.56)	3.21 p. m. Nov. 27th.	3.45 p. m. Nov. 27th.	3.50 p. m. Nov. 27.
	(1.53)	3.31 p. m. Nov. 29th.	8.45 a. m. Nov. 30th.	9.00 a. m. Nov. 30.

Sherwin-Wms. price $1.49, filed Nov. 1st, 1918.

119 (Jan. 15th-16th.)

PERIOD JANUARY 14TH-15TH-16TH, 1919. $1.48-$1.43.

Order.	Subscriber.	Filed.	Received.	Relayed.
1	Archer-Daniels (1.48)	4.16 p. m. Jan. 14	4.50 p. m. Jan. 14	Night m. Jan. 14.
2	Midland (1.48)	4.18 p. m. " 14	4.52 p. m. " 14	" " " 14.
3	Northern (1.48)	9.49 a. m. " 15	11.40 a. m. " 15	12.15 p. m. " 15.
4	Red Wing (1.48)	10.05 a. m. " 15	11.40 a. m. " 15	12.15 p. m. " 15.
5	Spencer Kellogg (1.43)	10.08 a. m. " 15	12.40 p. m. " 15	12.57 p. m. " 15.
6	Minnesota (1.48)	10.11 a. m. " 15	11.40 a. m. " 15	12.15 p. m. " 15.
7	Wm. O. Goodrich (1.48)	10.16 a. m. " 15	11.38 a. m. " 15	12.18 p. m. " 15.
8	Midland (1.43)	11.00 a. m. " 15	12.40 p. m. " 15	12.58 p. m. " 15.
9	National Lead (1.48)	11.43 a. m. " 15	2.20 p. m. " 15	2.30 p. m. " 15.
10	Archer-Daniels (1.43)	11.45 a. m. " 15	12.40 p. m. " 15	12.57 p. m. " 15.
11	Northern (1.43)	12.06 p. m. " 15	2.20 p. m. " 15	2.30 p. m. " 15.
12	American (1.48)	12.15 p. m. " 15	12.20 p. m. " 15	12.30 p. m. " 15.
13	" (1.43)	1.28 p. m. " 15	1.35 p. m. " 15	1.35 p. m. " 15.
14	Wm. O. Goodrich (1.43)	3.00 p. m. " 15	4.10 p. m. " 15	4.20 p. m. " 15.
15	Minnesota (1.43)	3.18 p. m. " 15	4.10 p. m. " 15	4.20 p. m. " 15.
16	Red Wing (1.43)	3.53 p. m. " 15	5.00 p. m. " 15	5.05 p. m. " 15.
17	Ankeney (1.48)	4.09 p. m. " 15	5.00 p. m. " 15	5.05 p. m. " 15.
18	Hirst & Begley (1.43)	(Telephoned)	4.49 p. m. " 15	4.55 p. m. " 15.
19	National Lead (1.43)	5.51 p. m. Jan. 15	8.40 a. m. " 16	9.20 a. m. " 16.
20	Ankeney (1.43)	Letter January 16th		

Sherwin-Williams' filed price was $1.49 on January 16, 1919.
" " " " of 1.43 " February 17, 1919.

120 PERIOD MARCH 5TH-6TH, 1919. $1.48.

1	Midland Linseed	12.50 p. m. Mar. 5th	1.20 p. m. Mar. 5th	1.35 p. m. Mar. 5.
2	Archer-Daniels	1.00 p. m. " 5th	1.50 p. m. " 5th	2.05 p. m. " 5.
3	Wm. O. Goodrich	3.20 p. m. " 5th	3.43 p. m. " 5th	3.50 p. m. " 5.
4	Red Wing	5.04 p. m. " 5th	9.00 a. m. " 6th	9.10 a. m. " 6.
5	Ankeney	5.06 p. m. " 5th	9.00 a. m. " 6th	9.10 a. m. " 6.
6	Sherwin-Williams	9.33 a. m. " 6th	9.25 a. m. " 6th	9.35 a. m. " 6.
7	Spencer Kellogg	11.37 a. m. " 6th	12.25 p. m. " 6th	12.40 p. m. " 6.
8	National Lead	12.00 noon " 6th	12.45 p. m. " 6th	12.55 p. m. " 6.
9	Minnesota	12.05 p. m. " 6th	12.25 p. m. " 6th	12.35 p. m. " 6.
10	American	12.10 p. m. " 6th	11.50 a. m. " 6th	12.00 noon " 6.
11	Hirst & Begley	(Telephoned)	1.50 p. m. " 6th	2.02 p. m. " 6.
12	Northern	3.26 p. m. Mar. 6th	3.50 p. m. " 6th	3.55 p. m. " 6.

121 PERIOD APRIL 9TH-10TH, 1919. $1.51.

1	Spencer Kellogg	10.08 a. m. Apr. 9th	10.48 a. m. Apr. 9th	11.05 a. m. Apr. 9.
2	Archer-Daniels	2.43 p. m. " 9th	3.15 p. m. " 9th	3.30 p. m. " 9.
3	American	3.55 p. m. " 9th	3.40 p. m. " 9th	3.55 p. m. " 9.
4	Wm. O. Goodrich	4.55 p. m. " 9th	8.33 a. m. " 10th	9.02 a. m. " 10.
5	Ankeney	8.20 p. m. " 9th	8.35 a. m. " 10th	8.45 a. m. " 10.
6	Red Wing	Night Ltr. " 9th	8.40 a. m. " 10th	8.50 a. m. " 10.
7	Midland Linseed	10.30 a. m. " 10th	10.45 a. m. " 10th	12.16 p. m. " 10.
8	Northern	10.40 a. m. " 10th	11.20 a. m. " 10th	11.30 a. m. " 10.
9	Minnesota	10.47 a. m. " 10th	11.20 a. m. " 10th	11.30 a. m. " 10.
10	Hirst & Begley	(Telephoned)	2.13 p. m. " 10th	2.25 p. m. " 10.
11	National Lead	5.00 p. m. Apr. 10th	9.00 a. m. " 11th	9.15 a. m. " 11.
12	Sherwin-Williams	9.11 p. m. " 10th	8.55 a. m. " 11th	9.15 a. m. " 11.

122 PERIOD APRIL 23RD-24TH-25TH-26TH-28TH, 1919. $1.56.

1	American	3.48 p. m. Apr. 23	3.45 p. m. Apr. 23	Night letter Apr. 23.
2	Archer-Daniels	11.00 a. m. " 24	2.10 p. m. " 24	2.30 p. m. " 24.
3	Midland	2.56 p. m. " 24	3.40 p. m. " 24	3.50 p. m. " 24.
4	Red Wing	5.10 p. m. " 24	8.45 a. m. " 25	9.00 a. m. " 25.
5	Hirst & Begley	(Telephoned)	5.20 p. m. " 24	8.50 a. m. " 25.
6	National Lead	9.48 a. m. Apr. 25	10.35 a. m. " 25	10.45 a. m. " 25.
7	Northern	10.10 a. m. " 25	10.42 a. m. " 25	10.50 a. m. " 25.
8	Spencer Kellogg	11.35 a. m. " 25	12.25 p. m. " 25	12.35 p. m. " 25.
9	Ankeney	4.08 p. m. " 25	4.30 p. m. " 25	4.45 p. m. " 25.
10	Wm. O. Goodrich	6.30 p. m. " 25	8.50 a. m. " 26	8.55 a. m. " 26.
11	Minnesota	10.00 a. m. " 26	10.25 a. m. " 26	10.35 a. m. " 26.
12	Sherwin-Williams	10.24 a. m. " 28	10.50 a. m. " 28	10.55 a. m. " 28.

323 (June 24th-26th.)

PERIOD JUNE 12TH-26TH, 1919. $1.86.

Order.	Subscriber.	Filed.	Received.	Relayed.
1	American	3.45 p. m. June 12	4.25 p. m. June 12	4.35 p. m. June 12.
2	Archer-Daniels	(Night) June 19	8.40 a. m. June 20	8.50 a. m. June 20.
3	Midland	9.31 a. m. " 20	10.00 a. m. " 20	10.10 a. m. " 20.
4	Ankeney	12.06 p. m. " 20	1.05 p. m. " 20	1.25 p. m. " 20.
5	Northern	12.12 p. m. " 20	12.45 p. m. " 20	12.50 p. m. " 20.
6	Mann Bros.	2.50 p. m. " 20	3.50 p. m. " 20	3.55 p. m. " 20.
7	Minnesota	3.30 p. m. " 20	4.10 p. m. " 20	4.15 p. m. " 20.
8	Red Wing	9.48 a. m. " 21	10.55 a. m. " 21	11.00 a. m. " 21.
9	Spencer Kellogg	9.35 a. m. " 23	11.00 a. m. " 23	11.10 a. m. " 23.
10	Sherwin-Williams	1.50 p. m. " 23	2.20 p. m. " 23	2.25 p. m. " 23.
11	National Lead	Night ltr. " 23	8.46 a. m. " 24	8.55 a. m. " 24.
12	Wm. O. Goodrich	3.28 p. m. " 24	3.57 p. m. " 24	4.05 p. m. " 24.
13	Hirst & Begley	(Telephone)	11.35 a. m. " 26	11.50 a. m. " 26.

324 PERIOD JUNE 28TH-JULY 2ND, 1919. $1.93.

1	American	12.20 p. m. June 28	12.35 p. m. June 28	12.45 p. m. June 28.
2	Archer-Daniels	11.06 a. m. June 30	12.00 noon June 30	12.10 p. m. June 30.
3	Northern	12.10 p. m. " 30	1.00 p. m. " 30	1.05 p. m. " 30.
4	Spencer Kellogg	2.00 p. m. " 30	2.50 p. m. " 30	3.00 p. m. " 30.
5	Mann Bros.	3.20 p. m. " 30	3.55 p. m. " 30	4.00 p. m. " 30.
6	Ankeney (1.90)	11.10 a. m. " 30	11.50 a. m. " 30	12.00 noon " 30.
	" (1.93)	4.15 p. m. " 30	4.35 p. m. " 30	4.45 p. m. " 30.
7	Hirst & Begley	(Telephone)	4.25 p. m. " 30	4.30 p. m. " 30.
8	Red Wing	4.30 p. m. June 30	8.30 a. m. July 1	8.55 a. m. July 1.
9	Midland	p. m. June 30	5.00 p. m. June 30	5.10 p. m. June 30.
10	National Lead	6.57 p. m. June 30	8.35 a. m. July 1	8.55 a. m. July 1.
11	Sherwin-Williams	10.12 a. m. July 1	10.55 a. m. " 1	11.00 a. m. " 1.
12	Minnesota	4.34 p. m. " 1	8.45 a. m. " 2	8.58 a. m. " 2.
13	Wm. O. Goodrich	1.44 p. m. " 2	2.15 p. m. " 2	2.25 p. m. " 2.

NOTE.— Archer-Daniels, Hirst & Begley, Midland } July-Oct. quotation.

325 PERIOD JULY 7TH-10TH, 1919. $2.10.

1	American	11.55 a. m. July 7	11.45 a. m. July 7	12.00 noon July 7.
2	Archer-Daniels	12.10 p. m. " 7	12.43 p. m. " 7	1.10 p. m. " 7.
3	Ankeney	5.29 p. m. " 7	8.50 a. m. " 8	9.00 a. m. " 8.
4	National Lead	Night Ltr. " 7	8.46 a. m. " 8	9.30 a. m. " 8.
5	Northern	11.00 a. m. " 8	12.20 p. m. " 8	12.35 p. m. " 8.
6	Red Wing	11.20 a. m. " 8	12.30 p. m. " 8	12.50 p. m. " 8.
7	Wm. O. Goodrich	12.32 p. m. " 8	1.00 p. m. " 8	1.35 p. m. " 8.
8	Minnesota	1.25 p. m. " 8	1.05 p. m. " 8	1.25 p. m. " 8.
9	Hirst & Begley	(Telephoned)	2.20 p. m. " 8	2.40 p. m. " 8.
10	Mann Bros.	3.48 p. m. July 8	4.15 p. m. " 8	4.25 p. m. " 8.
11	Sherwin-Williams	10.19 a. m. " 9	10.55 a. m. " 9	11.10 a. m. " 9.
12	Midland	4.11 p. m. " 9	4.45 p. m. " 9	4.55 p. m. " 9.
13	Spencer Kellogg	(Quotation Rpt. 59, July 10.)	July 11.	July 11.

326 PERIOD JULY 10TH-15TH, 1919. $2.15.

1	Midland	3.56 p. m. July 10	4.40 p. m. July 10	4.50 p. m. July 10.
2	Spencer Kellogg	4.00 p. m. " 11	4.25 p. m. " 11	4.35 p. m. " 11.
3	National Lead	5.12 p. m. " 11	8.45 a. m. " 12	8.50 a. m. " 12.
4	American	9.22 p. m. " 11	9.00 a. m. " 12	12.45 p. m. " 12.
5	Mann Bros. (2.15)	10.30 a. m. " 12	11.15 a. m. " 12	11.20 a. m. " 12.
6	Red Wing	2.53 p. m. " 12	8.35 a. m. " 14	8.50 a. m. " 14.
7	Ankeney	6.51 p. m. " 12	8.57 a. m. " 14	9.08 a. m. " 14.
8	Mann Bros. (2.25)	11.17 a. m. " 14	11.40 a. m. " 14	12.00 noon " 14.
9	Archer-Daniels	11.20 a. m. " 14	11.40 a. m. " 14	12.00 noon " 14.
10	Minnesota	11.26 a. m. " 14	12.20 p. m. " 14	12.30 p. m. " 14.
11	Northern	11.53 a. m. " 14	12.30 p. m. " 14	12.55 p. m. " 14.
12	Mann Bros. (2.15)	10.30 a. m. " 15	11.30 a. m. " 15	11.35 a. m. " 15.
13	Wm. O. Goodrich	4.11 p. m. " 15	4.45 p. m. " 15	4.55 p. m. " 15.
14	Hirst & Begley	(Telephoned)	4.30 p. m. " 15	4.55 p. m. " 15.
15	Sherwin-Williams	9.40 p. m. July 15	8.55 a. m. " 16	9.10 a. m. " 16.

327 PERIOD JULY 24TH-31ST, 1919. $2.20.

Order.	Subscriber.	Filed.	Received.	Relayed.
1	Midland	5.40 p. m. July 24	8.45 a. m. July 25	9.00 a. m. July 25.
2	Wm. O. Goodrich	" " 25	10.55 a. m. " 25	11.15 a. m. " 25.
3	Archer-Daniels	11.25 a. m. " 25	11.42 a. m. " 25	12.00 noon " 25.
4	Red Wing	1.48 p. m. " 25	2.49 p. m. " 25	3.50 p. m. " 25.
5	American	3.26 p. m. " 25	4.30 p. m. " 25	6.05 p. m. " 25.
6	Ankeney	4.25 p. m. " 25	4.55 p. m. " 25	6.05 p. m. " 25.
7	Minnesota	10.55 a. m. " 26	11.25 a. m. " 26	11.45 a. m. " 26.
8	Northern	11.13 a. m. " 26	11.45 a. m. " 26	12.05 p. m. " 26.
9	Sherwin-Williams	11.43 a. m. " 28	12.20 p. m. " 28	12.30 p. m. " 28.
10	National Lead	3.40 p. m. " 28	4.35 p. m. " 28	5.10 p. m. " 28.
11	Spencer Kellogg	4.00 p. m. " 29	4.15 p. m. " 29	4.40 p. m. " 29.
12	Mann Bros.	1.48 p. m. " 30	2.15 p. m. " 30	2.35 p. m. " 30.
13	Hirst & Begley	(Telephoned)	1.35 p. m. " 31	2.00 p. m. " 31.

328 PERIOD AUGUST 26TH-SEPTEMBER 2ND, 1919. $2.10.

1	Spencer Kellogg	7.37 a. m. Aug. 26	8.40 a. m. Aug. 26	9.00 a. m. Aug. 26.
2	Archer-Daniels	2.08 p. m. " 26	3.20 p. m. " 28	3.35 p. m. " 26.
3	Ankeney	4.33 p. m. " 26	5.10 p. m. " 26	5.30 p. m. " 26.
4	Hirst & Begley	(Telephoned)	5.15 p. m. " 26	Night ltr. " 26.
5	Midland	9.10 a. m. Aug. 27	9.45 a. m. " 27	10.05 a. m. " 27.
6	Mann Bros.	5.00 p. m. Aug. 27	10.50 a. m. " 28	11.15 a. m. " 28.
7	American	11.58 a. m. " 28	12.30 p. m. " 28	12.50 p. m. " 28.
8	Red Wing	1.55 p. m. " 28	2.50 p. m. " 28	3.05 p. m. " 28.
9	Northern	3.35 p. m. " 28	4.25 p. m. " 28	4.40 p. m. " 28.
10	Minnesota	3.50 p. m. " 28	4.40 p. m. " 28	4.55 p. m. " 28.
11	National Lead	5.13 p. m. " 28	8.35 a. m. " 29	8.50 a. m. " 29.
12	Wm. O. Goodrich	12.11 p. m. " 30	12.45 p. m. " 30	12.55 p. m. " 30.
13	Sherwin-Williams	10.50 a. m. Sept. 2	12.00 noon Sept. 2	12.10 p. m. Sept. 2.

NOTE.—American, Ankeney, Archer-Daniels, Wm. O. Goodrich, Hirst & Begley, Midland, Minnesota, Northern, Red Wing, Spencer Kellogg, Mann Bros. } Future Sept. quotations.

329 PERIOD SEPTEMBER 16TH-SEPTEMBER 30TH, 1919. $1.84 (FUTURE FOR OCTOBER.)

1	Archer-Daniels	3.35 p. m. Sept. 16	4.10 p. m. Sept. 18	4.42 p. m. Sept. 16.
2	Midland	5.40 p. m. " 16	8.45 a. m. " 17	9.00 a. m. " 17.
3	Wm. O. Goodrich	10.55 a. m. " 17	12.05 p. m. " 17	12.10 p. m. " 17.
4	National Lead	2.38 p. m. " 17	3.35 p. m. " 17	3.50 p. m. " 17.
5	Hirst & Begeley	(Telephoned)	3.00 p. m. " 17	3.15 p. m. " 17.
6	Spencer Kellogg	3.40 p. m. Sept. 17	5.05 p. m. " 17	5.20 p. m. " 17.
7	American	4.12 p. m. " 17	4.00 p. m. " 17	4.10 p. m. " 17. (Night message.)
8	Mann Bros.	9.26 a. m. " 18	9.05 a. m. " 18	9.15 a. m. " 18.
9	Northern	2.32 p. m. " 18	4.30 p. m. " 18	4.43 p. m. " 18.
10	Sherwin-Williams	10.33 a. m. " 19	11.05 a. m. " 19	11.15 a. m. " 19.
11	Ankeney	1.05 p. m. " 19	1.55 p. m. " 19	2.05 p. m. " 19.
12	Red Wing	10.54 a. m. " 23	12.00 noon " 23	12.10 p. m. " 23.
13	Minnesota	4.00 p. m. " 30	4.40 p. m. " 30	4.50 p. m. " 30.

330 (Oct. 6th-Nov. 10th.)

PERIOD OCTOBER 6TH-17TH, 1919. $1.70.

1	American (1.70)	11.16 a. m. Oct. 6	11.35 a. m. Oct. 6	11.48 a. m. Oct. 6.
2	Midland	4.19 p. m. " 6	9.15 a. m. " 7	9.30 a. m. " 7.
3	Minnesota	4.35 p. m. " 6	8.45 a. m. " 7	9.00 a. m. " 7.
4	Archer-Daniels (1.70)	4.43 p. m. " 6	8.45 a. m. " 7	8.55 a. m. " 7.
5	National Lead	6.26 p. m. " 6	8.55 a. m. " 7	9.20 a. m. " 7.
6	Spencer K. (1.70)	11.41 a. m. " 7	12.50 p. m. " 7	12.57 p. m. " 7.
7	Northern	3.26 p. m. " 7	5.05 p. m. " 7	5.40 p. m. " 7.
8	Hirst & Begley	(Telephoned)	3.30 p. m. " 7	3.35 p. m. " 7.
9	Mann Bros. (1.70)	4.41 p. m. " 7	4.56 p. m. " 7	Night m. " 7.
10	Spencer K. (1.80)	9.50 a. m. " 8	11.35 a. m. " 8	11.45 a. m. " 8.
11	Red Wing (1.70)	10.10 a. m. " 8	11.05 a. m. " 8	11.15 a. m. " 8.

PERIOD OCTOBER 6TH-17TH, 1919. $1.70—Continued.

Order.	Subscriber.	Filed.	Received.	Relayed.
12	Archer-D. (1.80)	11.24 a. m. Oct. 8	12.25 p. m. Oct. 8	12.35 p. m. Oct. 8.
13	Sherwin-Williams	12.51 p. m. " 8	1.30 p. m. " 8	3.55 p. m. " 8.
14	Red Wing (1.80)	2.35 p. m. " 8	3.35 p. m. " 8	4.00 p. m. " 8.
15	Mann Bros. (1.80)	4.27 p. m. " 8	4.30 p. m. " 8	5.25 p. m. " 8.
16	American (1.80)	10.23 a. m. " 9	10.15 a. m. " 9	10.25 a. m. " 9.
17	Archer-D. (1.70)	10.33 a. m. " 9	11.05 a. m. " 9	11.15 a. m. " 9.
18	Ankeney	3.30 p. m. " 13	5.00 p. m. " 13	5.10 p. m. " 13.
19	Mann Bros. (1.70)	2.45 p. m. " 14	3.52 p. m. " 14	3.56 p. m. " 14.
20	American (1.70)	3.40 p. m. " 15	3.20 p. m. " 15	3.30 p. m. " 15.
21	Red Wing (1.70)	Night m. " 15	8.45 a. m. " 16	8.55 a. m. " 16.
22	Spencer K. (1.70)	9.00 a. m. " 16	9.38 a. m. " 16	9.45 a. m. " 16.
23	Wm. O. Goodrich	10.36 a. m. " 17	11.40 a. m. " 17	11.50 a. m. " 17.

331 (Nov. 23-26.)

PERIOD NOVEMBER 22ND-28TH, 1919. $1.75.

Order.	Subscriber.	Quoted.	Sent.	Received.	Relayed.
1	Archer-Daniels	5.00 p. m. Nov. 22.	Night m	8.42 a. m. Nov. 24.	8.55 a. m.
2	Midland	9.20 a. m. " 24.	9.22 a. m	10.48 a. m. " 24.	11.02 a. m.
3	Northern	10.00 a. m. " 24.	10.10 a. m	11.45 a. m. " 24.	12.00 noon.
4	Ankeney	11.45 a. m. " 24.	11.55 a. m	1.25 p. m. " 24.	1.40 p. m.
5	Spencer Kellogg	11.55 a. m. " 24.	12.00 noon	11.45 a. m. " 24.	12.00 noon.
6	Red Wing	1.20 p. m. " 24.	1.25 p. m	1.57 p. m. " 24.	2.10 p. m.
7	American	2.35 p. m. " 24.	2.40 p. m	3.55 p. m. " 24.	4.10 p. m.
8	Hirst & Begley	4.00 p. m. " 24.	(Telephoned)	4.05 p. m. " 24.	4.20 p. m.
9	National Lead	4.00 p. m. " 24.	4.30 p. m	8.40 a. m. " 25.	8.50 a. m.
10	Sherwin-Williams	4.15 p. m. " 24.	4.15 p. m	4.35 p. m. " 24.	Night ltr.
11	Minnesota	9.40 a. m. " 25.	9.50 a. m	12.30 p. m. " 25.	12.30 p. m.
12	Mann Bros.	10.50 a. m. " 26.	11.00 a. m	10.45 a. m. " 26.	11.00 a. m.
13	Wm. O. Goodrich	9.15 a. m. " 28.	9.20 a. m	10.40 a. m. " 28.	11.05 a. m.

332 PERIOD NOVEMBER 24TH-DECEMBER 22ND, 1919. $1.75. (FUTURE FOR JANUARY).

1	Midland	9.20 a. m. Nov. 24.	9.22 a. m	10.48 a. m. Nov. 24.	11.02 a. m.
2	Spencer Kellogg	11.55 a. m. " 24.	12.00 noon	11.45 a. m. " 24.	12.00 noon.
3	Hirst & Begley	4.00 p. m. " 24.	(Telephoned)	4.05 p. m. " 24.	4.20 p. m.
4	National Lead	4.00 p. m. " 24.	4.30 p. m	8.40 a. m. " 25.	8.50 a. m.
5	Mann Bros.	10.50 a. m. " 26.	11.00 a. m	10.45 a. m. " 26.	11.00 a. m.
6	Archer-Daniels	10.40 a. m. Dec. 10.	10.40 a. m	12.16 p. m. Dec. 10.	12.31 p. m.
7	Ankeney	11.50 a. m. " 10.	11.54 a. m	1.25 p. m. " 10.	1.40 p. m.
8	American	12.15 p. m. " 12.	12.15 p. m	1.15 p. m. " 12.	1.30 p. m.
9	Goodrich	4.00 p. m. " 16.	4.05 p. m	8.47 a. m. " 17.	9.00 a. m.
10	Minnesota	11.02 a. m. " 17.	11.22 a. m	1.00 p. m. " 17.	1.20 p. m.
11	Northern	2.35 p. m. " 18.	2.40 p. m	4.45 p. m. " 18.	Night ltr.
12	Red Wing	5.00 p. m. " 18.	Night m	8.55 a. m. " 19.	9.05 a. m.
13	Sherwin-Williams	1.30 p. m. " 22.	1.30 p. m	2.31 p. m. " 22.	2.41 p. m.

333 PERIOD NOVEMBER 29TH-DECEMBER 11TH, 1919. $1.85.

1	Archer-Daniels	6.00 p. m. Nov. 29		6.00 p. m. Nov. 29	By letter.
2	American	1.45 p. m. Dec. 2	2.00 p. m	8.47 a. m. Dec. 3	9.10 a. m.
3	Red Wing	5.00 p. m. " 2	Night m	8.43 a. m. " 3	9.15 a. m.
4	Wm. O. Goodrich	3.25 p. m. " 3	3.50 p. m	4.25 p. m. " 3	Night letter.
5	Ankeney	11.15 a. m. " 4	11.25 a. m	12.33 p. m. " 4	12.45 p. m.
6	Minnesota	3.50 p. m. " 4	4.00 p. m	9.00 a. m. " 5	9.15 a. m.
7	Northern	4.00 p. m. " 4	4.11 p. m	9.00 a. m. " 5	9.10 a. m.
8	Spencer Kellogg	4.15 p. m. " 8	4.20 p. m	9.10 a. m. " 9	9.25 a. m.
9	Mann Bros.	11.20 a. m. " 9	11.28 a. m	12.58 p. m. " 9	1.10 p. m.
10	Midland	12.30 p. m. " 9	12.30 p. m	2.16 p. m. " 9	2.30 p. m.
11	Sherwin-Williams	8.45 a. m. " 10	8.45 a. m	11.10 a. m. " 10	11.20 a. m.
12	National Lead	2.15 p. m. " 10	2.30 p. m	9.13 a. m. " 11	9.25 a. m.
13	Hirst & Begley	9.30 a. m. " 11	(Telephoned)	9.40 a. m. " 11	10.00 a. m.

NOTE.—Future December quotation. (Archer-Daniels.)

334 PERIOD MARCH 8TH-APRIL 6TH, 1920. $1.82.

Order.	Subscriber.	Quoted.	Sent.	Received.	Relayed.
1	Archer-Daniels (1.82)....	3.50 p. m. Mar. 8	3.57 p. m.....	8.55 a. m. Mar. 9	9.10 a. m.
2	Northern (1.82).....	10.15 a. m. " 9	10.30 a. m.....	1.20 p. m. " 9	1.35 p. m.
3	Midland.....	10.30 a. m. " 9	10.30 a. m.....	12.00 noon " 9	12.15 p. m.
4	Wm. O. Goodrich (1.82)..	11.10 a. m. " 9	11.25 a. m.....	1.38 p. m. " 9	1.55 p. m.
5	Ankeney (1.82).....	12.08 p. m. " 9	12.15 p. m.....	2.50 p. m. " 9	3.05 p. m.
6	American.....	2.45 p. m. " 9	2.50 p. m.....	4.03 p. m. " 9	Night letter.
7	Minnesota (1.82).....	3.55 p. m. " 9	4.05 p. m.....	8.58 a. m. " 10	9.05 a. m.
8	Mann Bros.....	4.01 p. m. " 9	4.09 p. m.....	4.10 p. m. " 9	Night letter.
9	Red Wing.....	5.00 p. m. " 9	Night letter...	8.58 a. m. " 10	9.15 a. m.
10	Sherwin-Williams.....	9.00 a. m. " 10	9.00 a. m.....	10.58 a. m. " 10	11.10 a. m.
11	Hirst & Begley (1.82)....	10.10 a. m. " 10	(Telephoned) .	10.15 a. m. " 10	10.35 a. m.
12	National Lead (1.82).....	4.30 p. m. " 12	4.40 p. m.....	8.50 a. m. " 13	9.05 a. m.
13	W. O. Goodrich (1.87)...	3.15 p. m. " 18	3.20 p. m.....	4.27 p. m. " 18	Night letter.
13	" " " (1.87)...	10.30 a. m. " 25	10.45 a. m.....	12.12 p. m. " 25	12.22 p. m.
15	Archer-Daniels (1.72)....	12.30 p. m. " 26	12.45 p. m.....	2.10 p. m. " 26	2.25 p.m.
16	National Lead (1.72).....	1.50 p. m. " 26	2.05 p. m.....	9.05 a. m. " 27	9.15 a. m.
17	Hirst & Begley (1.72)....	2.20 p. m. " 26	(Telephoned) .	2.35 p. m. " 26	2.30 p. m.
18	Ankeney (1.72).....	9.10 a. m. " 27	9.20 a. m.....	10.15 a. m. " 27	10.25 a. m.
19	Northern (1.72).....	11.35 a. m. " 27	11.45 a. m.....	9.03 a. m. " 29	9.15 a. m.
20	Ninnesota (1.72).....	11.40 a. m. " 27	12.00 noon.....	9.10 a. m. " 29	9.30 a. m.
21	" (1.82).....	2.50 p. m. " 29	3.10 p. m.....	4.37 p. m. " 29	Night letter.
22	Archer-Daniels (1.82)....	3.00 p. m. " 29	3.10 p. m.....	4.15 p. m. " 29	Night letter.
23	Northern (1.82).....	3.14 p. m. " 29	3.30 p. m.....	4.37 p. m. " 29	Night letter.
24	Ankeney (1.82).....	5.00 p. m. " 30	5.20 p. m.....	9.10 a. m. " 31	9.20 a. m.
25	Hirst & Begley (1.82)....	11.50 a. m. Apr. 2	(Telephoned) .	12.00 noon Apr. 2	12.20 p.m.
26	National Lead (1.82).....	4.45 p. m. " 6	5.00 p. m.....	9.07 a. m. " 7	9.17 a. m.

335 PLAINTIFF'S EXHIBIT 3.

[Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.]

SPOT QUOTATION RECORD.

The attached tabulation gives price changes of the respective manufacturers of linseed oil as reported through the bureau on the days named for spot delivery.

The manufacturers are identified by number at the column heads as follows:

1. American Linseed Company.
2. Ankeney Linseed Mfg. Company.
3. Archer-Daniels Linseed Company.
4. William O. Goodrich Company.
5. Hirst & Begley Linseed Company.
6. Midland Linseed Products Company.
7. Minnesota Linseed Oil Company.
8. National Lead Company.
9. Northern Linseed Oil Company.
10. Red Wing Linseed Oil Company.
11. The Sherwin-Williams Company.
12. Spencer Kellogg & Sons, Inc.
13. The Toledo Seed & Oil Company.
14. The Mann Bros. Company.

For an accurate reading of this record the following explanation is desirable:

In each case the manufacturer's last reported spot quotation is recorded with every new competitive quotation by any other manufacturer; for example, the prices are repeated until a change is recorded as filed by the quoting manufacturer. On intervening days not noted, the last recorded day's quotation obtained.

Flaxseed crushing industry—Price changes of individual council members from Oct. 1, 1918, to June 28, 1920, inclusive—Zone 1, prompt delivery.

Sub. No.	1	2	3	4	5	6	7	8*	9	10	11*	12	14*	Competitive/gal. spread.
1918.														
Oct. 1	1.79½	1.79½	1.79½	1.81½	1.79½	1.79½	1.79½	1.85c	1.79½	1.79½	1.89c	1.79½	.....	0.10
7	1.79	1.79	1.79	1.81	1.79	1.79	1.79	1.85	1.79	1.79	1.89	1.74½	.....	.15
8	1.79	1.79	1.74½	1.81	1.79	1.74½	1.74½	1.85	1.74½	1.74½	1.89	1.74	.....	.15
9	1.79	1.74½	1.74	1.76½	1.74	1.74	1.74	1.85	1.74	1.74	1.89	1.74	.....	.15
10	1.79	1.64½	1.64½	1.76	1.74	1.64½	1.64½	1.85	1.64½	1.74	1.89	1.64½	.....	.25
11	1.69½	1.59½	1.59½	1.64½	1.74	1.59½	1.59½	1.85	1.59½	1.64½	1.58c	1.59½	.....	.26
	.....	.....	.....	.....	.....	.....	.....	.....	.....	1.59	.....	.....	.....	.....
12	1.69	1.59	1.59	1.59½	1.59½	1.59	1.59	1.85	1.59	1.59	1.58	1.59	.....	.27
16	1.69	1.53½	1.53½	1.59	1.53½	1.59	1.53½	1.63c	1.53½	1.59	1.63c	1.53½	.....	.16
	.....	.....	.....	.....	.....	.....	.....	1 c. l.	.....	.....	.....	.....	.....	.....
17	1.53½	1.53	1.51½	1.53½	1.51½	1.51½	1.53	1.63	1.53	1.53½	1.63	1.53	.....	.12
18	1.53	1.51½	1.48½	1.51½	1.48½	1.48½	1.51½	1.63	1.51½	1.51½	1.63	1.48½	.....	.15
	.....	.....	.....	1.48½	.....	.....	1.48	.....	1.48	.....	.....	.....	.....	.....
19	1.53	1.51	1.48	1.48	1.48	1.48	1.48	1.63	1.48	1.48½	1.63	1.48	.....	.15
21	1.53	1.51	1.48	1.48	1.48	1.48	1.48	1.58c	1.48	1.48	1.63	1.48	.....	.15
23	1.48½	1.51	1.48	1.48	1.48	1.48	1.48	1.54c	1.48	1.48	1.63	1.48	.....	.15
24	1.57½	1.51	1.48	1.48	1.48	1.48	1.48	1.54	1.48	1.48	1.63	1.48	.....	.15
25	1.57	1.58½	1.55½	1.57½	1.55½	1.55½	1.55½	1.54	1.55½	1.55½	1.63	1.55½	.....	.09
26	1.57	1.58	1.55	1.55½	1.55	1.55	1.55	1.57c	1.55	1.55	1.63	1.55	.....	.08
29	1.53½	1.54½	1.51½	1.51½	1.55	1.51½	1.55	1.57	1.51½	1.51½	1.63	1.51½	.....	.12
30	1.53	1.54	1.51	1.51	1.55	1.51	1.51½	1.53c	1.51	1.51	1.63	1.51	.....	.12
Nov. 1	1.53	1.54	1.51	1.51	1.51½	1.51	1.51	1.53	1.51	1.51	1.49c	1.51	.....	.05
4	1.53	1.51	1.48½	1.51	1.48½	1.48½	1.48½	1.53	1.48½	1.51	1.49	1.48½	.....	.05
5	1.53	1.51	1.48	1.48½	1.48	1.48	1.48	1.53	1.48	1.48½	1.49	1.48	.....	.05
6	1.48½	1.51	1.48	1.48	1.48	1.48	1.48	1.56c	1.48	1.48	1.49	1.48	.....	.08
7	1.53½	1.51	1.48	1.48	1.48	1.48	1.48	1.56	1.48	1.48	1.49	1.48	.....	.08

	8	1.58½	1.61½	1.58½	1.53½	1.53½ 1.58½	1.58½	1.58½	1.56	1.58½	1.58½	1.49	1.53½ 1.58½	.....	.12 .....
	9	1.58	1.61	1.58	1.58½	1.58	1.58	1.58	1.61c	1.58	1.58	1.49	1.58	.....	.12
	25	1.58	1.61	1.58	1.58	1.58	1.58	1.58	1.61	1.58	1.58	1.49	1.53½	.....	.12
	26	1.53½	[1] 1.53	1.53½	1.53½	1.53½	1.53½	1.53½	1.61	1.53½	1.53½	1.49	1.53	.....	.12
	27	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.56c	1.53	1.53	1.49	1.53	.....	.07
	29	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53c	1.53	1.53	1.49	1.53	.....	.04
Dec.	1	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
1919.															
Jan.	14	1.53	1.53	1.48½	1.53	1.53	1.48½	1.53	1.53	1.53	1.53	1.49	1.53	.....	.05
	15	1.48½ 1.43½	1.48½	1.43½	1.48½ 1.43½	1.43½	1.43½	1.48½ 1.43½	1.48½ 1.43c	1.48½ 1.43½	1.48½ 1.43½	1.49	1.43½	.....	.06 .....
	16	1.43	1.43½	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.....	.06
Feb.	17	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	[2] 1.43½	1.43	.....	.00
Mar.	5	1.43	1.48½	1.48½	1.48½	1.43	1.48½	1.43	1.43	1.43	1.48½	1.43	1.43	.....	.05
	6	1.48½	1.48	1.48	1.48	1.48½	1.48	1.48½	1.48c	1.48½	1.48	1.48½	1.48½	.....	.00
Apr.	9	1.51½	1.51½	1.51½	1.51½	1.48	1.48	1.48	1.48	1.48	1.51½	1.48	1.51½	.....	.03
	10	1.51	1.51	1.51	1.51	1.51½	1.51½	1.51½	1.51c	1.51½	1.51	1.51½	1.51	.....	.00
	23	1.56½	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	.....	.05
	24	1.56	1.51	1.56½	1.51	1.56½	1.56½	1.51	1.51	1.51	1.56½	1.51	1.51	.....	.05
	25	1.56	1.56½	1.56	1.56½	1.56	1.56	1.51	1.56c	1.56½	1.56	1.51	1.56½	.....	.05
	26	1.56	1.56	1.56	1.56	1.56	1.56	1.56½	1.56	1.56	1.56	1.51	1.56	.....	.05
	28	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56½	1.56	.....	.00
	30	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.54½	.....	.02
May	1	1.56	1.56	1.54½	1.56	1.54½	1.56	1.56	1.56	1.56	1.54½	1.56	1.54	.....	.02
	2	1.56	1.54½	1.54	1.56	1.54	1.56	1.56	1.56	1.56	1.54	1.56	1.54	.....	.02
	3	1.56	1.54	1.54	1.54½	1.54	1 56	1.56	1.56	1.56	1.54	1.56	1.54	.....	.02
	5	1.56	1.54	1.54	1.54	1.54	1.56	1.56	1.56	1.54½	1.54	1.56	1.54	.....	.02
	6	1.56	1.54	1.54	1.54	1.54	1.56	1.54½	1.56	1.54	1.54	1.56	1.54	.....	.02
	7	1.54½	1.54	1.54	1.54	1.54	1.56	1.54	1.56	1.54	1.54	1.56	1.54	.....	.02
	8	1.54	1.54	1.54	1.54	1.54	1.56	1.54	1.54c	1.54	1.54	1.54½	1.54	.....	.02
	14	1.56½	1.54	1.54	1.54	1.54	1.56	1.54	1.54	1.54	1.54	1.54	1.54	.....	.02
	16	1.56	1.54	1.56½	1.54	1.54	1.56	1.54	1.54	1.54	1.54	1.54	1.54	.....	.02
	17	1.56	1.54	1.56	1.56½	1.56½	1.56	1.54	1.54	1.54	1.56½	1.54	1.54	.....	.02

* The quotations, where necessary, have been converted to a zone 1 basis by a 2¢ differential for zone 3 and a 1¢ differential for zone 2. For subscriber #8, all quotations up to June 1st, 1920; subscriber #11, Oct. 1 to Nov. 1, 1918; subscriber #14, from June 3 to Oct. 13, 1919.

[1] Wire reduction 5¢; report as noted.

[2] Report.

Flaxseed crushing industry—Price changes of individual council members from Oct. 1, 1918, to June 28, 1920, inclusive—Zone 1, prompt delivery—Con.

Sub. No.		1	2	3	4	5	6	7	8*	9	10	11*	12	14*	Competitive/gal. spread.
1919.															
May	19	1.56	1.54	1.56	1.56	1.56	1.56	1.56↓	1.54	1.56↓	1.56	1.54	1.54	.....	0.02
	20	1.56	1.54	1.56	1.56	1.56	1.54↓	1.56	1.56c	1.56	1.56	1.54	1.54	.....	.02
	22	1.56	1.54	1.56	1.56	1.54↓	1.54	1.56	1.56	1.56	1.56	1.56↓	1.54	.....	.02
	26	1.56	1.54	1.56	1.56	1.54	1.54	1.56	1.56	1.56	1.56	1.56	1.54	.....	.02
	27	1.56	1.54	1.59↓	1.59↓	1.56↓	1.56↓	1.56	1.56	1.59↓	1.56	1.56	1.56↓	.....	.05
		.....	.....	.....	.....	1.59↓	.....	.....	.....	.....	.....	.....	.....	.....	.....
	28	1.59↓	1.59↓	1.59	1.59	1.59	1.61↓	1.59↓	1.56	1.59	1.59↓	1.59↓	1.59↓	.....	.05
	29	1.59	1.62↓	1.59	1.59	1.59	1.61	1.59	1.59c	1.59	1.59	1.59	1.59	.....	.03
June	3	1.68↓	1.64↓	1.64↓	1.68↓	1.64↓	1.64↓	1.68↓	1.59	1.64↓	1.64↓	1.59	1.66↓	1.59	.09
		.....	.....	1.68↓	.....	.....	1.68↓	.....	.....	1.68↓	.....	.....	.....	.....	.....
	4	1.78↓	1.70↓	1.68	1.68	1.68↓	1.68	1.68	1.68c	1.68	1.68↓	1.59	1.71↓	1.59	.19
	5	1.78	1.70	1.71↓	1.70↓	1.68	1.71↓	1.68	1.68	1.68	1.68	1.59	1.71	1.59	.19
	6	1.70	1.70	1.71	1.70	1.71↓	1.71	1.71↓	1.71c	1.71↓	1.71↓	1.71↓	1.71	1.71c	.08
	10	1.78	1.70	1.71	1.71↓	1.71	1.71	1.71	1.71	1.71	1.71	1.71	1.71	1.71	.08
	11	1.78	1.75↓	1.78↓	1.75↓	1.71	1.78↓	1.78↓	1.71	1.78↓	1.71	1.71	1.71	1.71	.07
	12	1.86↓	1.78↓	1.83↓	1.75	1.78↓	1.83↓	1.78	1.78c	1.78	1.78↓	1.71	1.81↓	1.81c	.15
	13	1.86	1.83↓	1.83	1.78↓	1.78	1.83	1.83↓	1.78	1.83↓	1.83↓	1.83↓	1.81	1.81	.08
	14	1.86	1.83	1.81↓	1.83↓	1.83↓	1.83	1.83	1.78	1.83	1.83	1.83	1.81	1.81	.08
	16	1.86	1.83	1.81	1.83	1.83	1.83	1.83	1.85c	1.83	1.83	1.83	1.83↓	1.81	.05
	17	1.86	1.83	1.83↓	1.83	1.81↓	1.83	1.83	1.85	1.83	1.83	1.83	1.83	1.83c	.05
	19	1.86	1.83	1.86↓	1.83	1.81	1.83	1.83	1.85	1.83	1.83	1.83	1.83	1.83	.05
	20	1.86	1.86↓	1.86	1.83	1.81	1.86↓	1.86↓	1.85	1.86↓	1.83	1.83	1.83	1.86c	.05
	21	1.86	1.86	1.86	1.83	1.83↓	1.86	1.86	1.85	1.86	1.86↓	1.83	1.83	1.86	.03
	23	1.86	1.86	1.86	1.83	1.83	1.86	1.86	1.86c	1.86	1.86	1.86↓	1.86↓	1.86	.03
	24	1.86	1.86	1.86	1.86↓	1.83	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	.03
	26	1.86	1.86	1.86	1.86	1.86↓	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	.00
	28	1.93↓	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	.07
	30	1.93	1.90↓	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.93↓	1.86	1.93↓	1.86	.07
		.....	1.93↓	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

July	1	1.93	1.93	1.93✓	1.86	1.93✓	1.93✓	1.93✓	1.93c	1.93✓	1.93	1.93✓	1.93	1.93c	.07
	2	1.93	2.00✓	1.93	1.93✓	1.93	1.93	1.93	1.93	1.93	2.00✓	1.93	1.93	1.93	.07
	3	1.93	2.00	1.93	1.93	1.93	1.93	1.93	1.93	1.93	2.00	1.93	2.00✓	1.93	.17
	7	2.10✓	2.10✓	2.10✓	1.93	1.93	2.03✓	1.93	2.10c	1.93	2.00	1.93	2.00	2.00c	.17
	8	2.10	2.10	2.10	2.10✓	2.10✓	2.03	2.10✓	2.10	2.10✓	2.10✓	1.93	2.00	2.10c	.....
	9	2.10	2.10	2.10	2.10	2.10	2.10✓	2.10	2.10	2.10	2.10	2.10✓	2.00	2.10	.10
	10	2.10	2.20✓	2.10	2.10	2.10	2.15✓	2.10	2.10	2.10	2.10	2.10	2.10✓	2.10	.10
	11	2.15✓	2.20	2.25✓	2.25✓	2.16✓	2.15	2.10	2.15c	2.10	2.10	2.10	2.15✓	2.10	.15
	12	2.15	2.15✓	2.25	2.25	2.16	2.15	2.10	2.15	2.10	2.15✓	2.10	2.15	2.15c	.15
	14	2.15	2.15	2.15✓	2.25	2.16	2.15	2.15✓	2.15	2.15✓	2.15	2.10	2.15	2.25c	.15
	15	2.15	2.15	2.15	2.15✓	2.15✓	2.15	2.15	2.15	2.15	2.15	2.15✓	2.15	2.15c	.00
	24	2.15	2.15	2.15	2.15	2.15	2.20✓	2.15	2.15	2.15	2.15	2.15	2.15	2.15	.05
	25	2.20✓	2.20✓	2.20✓	2.20✓	2.18✓	2.20	2.15	2.15	2.15	2.20✓	2.15	2.15	2.15	.05
	26	2.20	2.20	2.20	2.20	2.18	2.20	2.20✓	2.15	2.20✓	2.20	2.15	2.15	2.15	.05
	28	2.20	2.20	2.20	2.20	2.18	2.20	2.20	2.20c	2.20	2.20	2.20✓	2.15	2.15	.05
	29	2.20	2.20	2.20	2.20	2.18	2.20	2.20	2.20	2.20	2.20	2.20	2.20✓	2.15	.05
	31	2.20	2.20	2.20	2.20	2.20✓	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.15	.05
Aug.	1	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20✓	.00
	28	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.10c	2.20	2.20	2.20	2.20	2.20	.10
Sept.	1	2.10✓	2.10✓	2.10✓	2.10✓	2.10✓	2.10✓	2.10✓	2.10	2.10✓	2.10✓	2.20	2.10✓	2.09c	.11
	2	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10✓	2.10	2.09	.01
338 Oct.	1	1.84✓	1.84✓	1.84✓	1.84✓	1.84✓	1.84✓	1.84✓	1.84c	1.84✓	1.84✓	1.84✓	1.84✓	1.84c	.00
	6	1.70✓	1.84	1.70✓	1.84	1.84	1.70✓	1.70✓	1.70c	1.84	1.84	1.84	1.84	1.84	.14
	7	1.70	1.84	1.70	1.70✓	1.70✓	1.70	1.70	1.70	1.70✓	1.84	1.84	1.70✓	1.70c	.14
	8	1.70	1.80✓	1.80✓	1.80✓	1.80✓	1.70	1.70	1.70	1.70	1.70✓	1.70✓	1.80✓	1.80c	.10
	9	1.80✓	1.80	1.70✓	1.80	1.80	1.70	1.70	1.80c	1.70	1.80✓	1.70	1.80	1.80	.10
	13	1.80	1.70✓	1.70	1.80	1.80	1.70	1.70	1.80	1.70	1.80	1.70	1.80	1.80	.10
	14	1.80	1.70	1.70	1.80	1.70✓	1.70	1.70	1.80	1.70	1.80	1.70	1.80	1.70c	.10
	15	1.70✓	1.70	1.70	1.80	1.70	1.70	1.70	1.70c	1.70	1.70✓	1.70	1.80	1.70	.10
	16	1.70	1.70	1.70	1.80	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70✓	1.70	.10
	17	1.70	1.70	1.70	1.70✓	1.70	1.70	1.70	1.70	.70	1.70	1.70	1.70	1.70	.00
Nov.	22	1.70	1.70	1.75✓	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.05
	24	1.75✓	1.75✓	1.75	1.70	1.75✓	1.75✓	1.70	1.75c	1.75✓	1.75✓	1.75✓	1.75✓	1.70	.05
	25	1.75	1.75	1.75	1.70	1.75	1.75	1.75✓	1.75	1.75	1.75	1.75	1.75	1.70	.05
	26	1.75	1.75	1.75	1.70	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75✓	.05
	28	1.75	1.75	1.75	1.75✓	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00

* The quotations, where necessary, have been converted to a zone 1 basis by a 2¢ differential for zone 3 and a 1¢ differential for zone 2. For subscriber #8, all quotations up to June 1st, 1920; subscriber #11, Oct. 1 to Nov. 1, 1918; subscriber #14, from June 3 to Oct. 13, 1919.

Flaxseed crushing industry—Price changes of individual council members from Oct. 1, 1918, to June 28, 1920, inclusive—Zone 1, prompt delivery—Con.

Sub. No.....		1	2	3	4	5	6	7	8*	9	10	11*	12	14*	Competitive/gal. spread.
1919.															
Dec.	1....	1.75	1.75	1.85↓	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	0.10
	2....	1.85↓	1.75	1.85	1.75	1.75	1.75	1.75	1.75	1.75	1.85↓	1.75	1.75	1.75	.10
	3....	1.85	1.75	1.85	1.85↓	1.75	1.75	1.75	1.75	1.75	1.85	1.75	1.75	1.75	.10
	4....	1.85	1.85↓	1.85	1.85	1.75	1.76	1.85↓	1.75	1.85↓	1.85	1.75	1.75	1.75	.10
	8....	1.85	1.85	1.85	1.85	1.75	1.75	1.85	1.75	1.85	1.85	1.75	1.85↓	1.75	.10
	9....	1.85	1.85	1.85	1.85	1.75	1.85↓	1.85	1.75	1.85	1.85	1.75	1.85	1.85↓	.10
	10....	1.85	1.85	1.85	1.85	1.75	1.85	1.85	1.85c	1.85	1.85	1.85↓	1.85	1.85	.10
	11....	1.85	1.85	1.85	1.85	1.85↓	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	.00
1920.															
Jan.	1....	1.75↓	1.75↓	1.75↓	1.75↓	1.75↓	1.75↓	1.75↓	1.75c	1.75↓	1.75↓	1.75↓	1.75↓	1.75↓	.00
Feb.	1....	1.75	1.75↓	1.75↓	1.75↓	1.75↓	1.75↓	1.75↓	1.75c	1.75↓	1.75↓	1.75↓	1.75↓	1.75↓	.00
Mar.	4....	1.75	1.75	1.77↓	1.75	1.75	1.77↓	1.75	1.75	1.77↓	1.75	1.75	.....	1.75	.02
	5....	1.77↓	1.77↓	1.77	1.77↓	1.75	1.77	1.77↓	1.75	1.77	1.77↓	1.75	.....	1.75	.02
	8....	1.77	1.77	1.82↓	1.80↓	1.75	1.77	1.77	1.77c	1.77	1.77	1.77↓	.....	1.75	.07
	9....	1.82↓	1.82↓	1.82	1.82↓	1.75	1.82↓	1.82↓	1.77	1.82↓	1.82↓	1.77	.....	1.82↓	.07
	10....	1.82	1.82	1.82	1.82	1.82↓	1.82	1.82	1.77	1.82	1.82	1.82↓	.....	1.82	.05
	12....	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82c	1.82	1.82	1.82	.....	1.82	.00
	18....	1.82	1.82	1.82	1.87↓	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82	.05
	25....	1.82	1.82	1.82	1.82↓	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82	.00
	26....	1.72↓	1.82	1.72↓	1.82	1.72↓	.....	1.82	1.72c	1.82	1.82	1.82	.....	1.82	.10
	27....	1.82↓	1.72↓	1.72	1.82	1.72	.....	1.72↓	1.72	1.72↓	1.82	1.82	.....	1.82	.10
	29....	1.82	1.72	1.82↓	1.82	1.72	.....	1.82↓	1.72	1.82↓	1.82	1.82	.....	1.82	.10
	30....	1.82	1.82↓	1.82	1.82	1.72	.....	1.82	1.72	1.82	1.82	1.82	.....	1.82	.10
Apr.	2....	1.82	1.82	1.82	1.82	1.82↓	.....	1.82	1.72	1.82	1.82	1.82	.....	1.82	.10
	6....	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.82c	1.82	1.82	1.82	.....	1.82	.00
	16....	1.82	1.82	1.79↓	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.79↓	.03
	17....	1.82	1.79↓	1.79	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.79	.03
	21....	1.82	1.79	1.79	1.82	1.79↓	.....	1.82	1.82	1.82	1.82	1.82	.....	1.79	.03

	23	1.82	1.72✓	1.72✓	1.82	1.79	.....	1.82	1.82	1.82	1.82	1.82	.....	1.79	.10
	26	1.82	1.72	1.72	1.82	1.79	.....	1.82	1.82	1.82	1.82	1.82	.....	1.72✓	.10
	28	1.82	1.72	1.72	1.72✓	1.79	.....	1.82	1.82	1,82	1.82	1.72 √	.....	1.72	.10
May	1	1.72✓	1.72	1.72	1.72	1.79	.....	1.72✓	1.70c	1.72✓	1.72✓	1.72	.....	1.72	.09
	13	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.67•	.12
	15	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72✓	.09
	27	1.72	1.72	1.72	1.72	1.72✓	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.02
June	1	1.69✓	1.60✓	1.72	1.72	1.72	.....	1.72	1.65c	1.72	1.72	1.72	.....	**1.68c	12
	11	1.69	1.60	1.69✓	1.72	1.72	.....	1.72	1.65	1.72	1.72	1.72	.....	**1.68	.12
	14	1.69	1.60	1.69	1.72	1.72	.....	1.72	1.65	1.72	1.72	1.69✓	.....	**1.68	.12
	15	1.69	1.60	1.69	1.72	1.72	.....	1.72	1.58✓	1.72	1.72	1.69	.....	**1.68	.14
	16	1.69	1.60	1.69	1.69✓	1.72	.....	1.72	1.58	1.72	1.72	1.69	.....	**1.68	.14
	18	1.69	1.60	1.69	1.66✓	1.72	.....	1.69✓	1.58	1.72	1.72	1.69	.....	**1.68	.14
	19	1.69	1.60	1.69	1.66	1.69✓	.....	1.69	1.58	1.69✓	1.72	1.69	.....	**1.68	.14
	21	1.62✓	1.60	1.69	1.66	1.69	.....	1.69	1.58	1.69	1.72	1.69	.....	**1.68	.14
	22	1.62	1.60	1.69	1.66	1.69	.....	1.69	1.58	1.69	1.69✓	1.69	.....	**1.68	.11
	28	1.62	1.60	1.69	1.66	1.69	.....	1.62✓	1.58	1.69	1.69	1.69	.....	**1.68	.11

* The quotations, where necessary, have been converted to a zone 1 basis by a 2¢ differential for zone 3 and a 1¢ differential for zone 2. For subscriber #8, all quotations up to June 1st, 1920; subscriber #11, Oct. 1 to Nov. 1, 1918; subscriber #14, from June 3 to Oct. 13, 1919.
** Zone 2, $1.68; zone 3, $1.67.

J. F. T.
H. R. M.

Flaxseed crushing industry—Price changes of individual council members from October 1, 1918, to June 28, 1920, inc.—Zone 1, prompt delivery.

Sub. No.	1	2	3	4	5	6	7	8*	9	10	11*	12	14*	Competitive gal. spread.
1918.														
Oct. 1	1.79	1.79	1.79	1.81	1.79	1.79	1.79	1.85	1.79	1.79	1.89	1.79	.....	0.10
2	1.79	1.79	1.79	1.81	1.79	1.79	1.79	1.85	1.79	1.79	1.89	1.79	.....	.10
3	1.79	1.79	1.79	1.81	1.79	1.79	1.79	1.85	1.79	1.79	1.89	1.79	.....	.10
4	1.79	1.79	1.79	1.81	1.79	1.79	1.79	1.85	1.79	1.79	1.89	1.79	.....	.10
5	1.79	1.79	1.79	1.81	1.79	1.79	1.79	1.85	1.79	1.79	1.89	1.79	.....	.10
6	1.79	1.79	1.79	1.81	1.79	1.79	1.79	1.85	1.79	1.79	1.89	1.79	.....	.10
7	1.79	1.79	1.79	1.81	1.79	1.79	1.79	1.85	1.79	1.79	1.89	1.74	.....	.15
8	1.79	1.79	1.74	1.81	1.79	1.74	1.74	1.85	1.74	1.74	1.89	1.74	.....	.15
9	1.79	1.74	1.74	1.76	1.74	1.74	1.74	1.85	1.74	1.74	1.89	1.74	.....	.15
10	1.79	1.64	1.64	1.76	1.74	1.64	1.64	1.85	1.64	1.74	1.89	1.64	.....	.25
11	1.69	1.59	1.59	1.64	1.74	1.59	1.59	1.85	1.59	1.64	1.58	1.59	.....	.26
										1.59				
12	1.69	1.59	1.59	1.59	1.59	1.59	1.59	1.85	1.59	1.59	1.58	1.59	.....	.27
13	1.69	1.59	1.59	1.59	1.59	1.59	1.59	1.85	1.59	1.59	1.58	1.59	.....	.27
14	1.69	1.59	1.59	1.59	1.59	1.59	1.59	1.85	1.59	1.59	1.58	1.59	.....	.27
15	1.69	1.59	1.59	1.59	1.59	1.59	1.59	1.85	1.59	1.58	1.58	1.59	.....	.27
16	1.69	1.53	1.53	1.59	1.53	1.59	1.53	1.63	1.53	1.59	1.63	1.53	.....	.16
								1 c. l.						
17	1.53	1.53	1.51	1.53	1.51	1.51	1.53	1.63	1.53	1.53	1.63	1.53	.....	.12
18	1.53	1.51	1.48	1.51	1.48	1.48	1.51	1.63	1.51	1.51	1.63	1.48	.....	.15
				1.48			1.48		1.48					
19	1.53	1.51	1.48	1.48	1.48	1.48	1.48	1.63	1.48	1.48	1.63	1.48	.....	.15
20	1.53	1.51	1.48	1.48	1.48	1.48	1.48	1.63	1.48	1.48	1.63	1.48	.....	.15
21	1.53	1.51	1.48	1.48	1.48	1.48	1.48	1.58	1.48	1.48	1.63	1.48	.....	.15
22	1.53	1.51	1.48	1.48	1.48	1.48	1.48	1.58	1.48	1.48	1.63	1.48	.....	.15
23	1.48	1.51	1.48	1.48	1.48	1.48	1.48	1.54	1.48	1.48	1.63	1.48	.....	.15

24....	1.57	1.51	1.48	1.48	1.48	1.48	1.48	1.54	1.48	1.48	1.63	1.48	.....	.15
25....	1.57	1.58	1.55	1.57	1.55	1.55	1.55	1.54	1.55	1.55	1.63	1.55	.....	.09
26....	1.57	1.58	1.55	1.55	1.55	1.55	1.55	1.57	1.55	1.55	1.63	1.55	.....	.08
27....	1.57	1.58	1.55	1.55	1.55	1.55	1.55	1.57	1.55	1.55	1.63	1.55	.....	.08
28....	1.57	1.58	1.55	1.55	1.55	1.55	1.55	1.57	1.55	1.55	1.63	1.55	.....	.08
29....	1.53	1.54	1.51	1.51	1.55	1.51	1.55	1.57	1.51	1.51	1.63	1.51	.....	.12
30....	1.53	1.54	1.51	1.51	1.55	1.51	1.51	1.53	1.51	1.51	1.63	1.51	.....	.12
31....	1.53	1.54	1.51	1.51	1.55	1.51	1.51	1.53	1.51	1.51	1.63	1.51	.....	.12
Nov. 1....	1.53	1.54	1.51	1.51	1.51	1.51	1.51	1.53	1.51	1.51	1.49	1.51	.....	.05
2....	1.53	1.54	1.51	1.51	1.51	1.51	1.51	1.53	1.51	1.51	1.49	1.51	.....	.05
3....	1.53	1.54	1.51	1.51	1.51	1.51	1.51	1.53	1.51	1.51	1.49	1.51	.....	.05
4....	1.53	1.51	1.48	1.51	1.48	1.48	1.48	1.53	1.48	1.51	1.49	1.48	.....	.05
5....	1.53	1.51	1.48	1.48	1.48	1.48	1.48	1.53	1.48	1.48	1.49	1.48	.....	.05
6....	1.48	1.51	1.48	1.48	1.48	1.48	1.48	1.56	1.48	1.48	1.49	1.48	.....	.08
7....	1.53	1.51	1.48	1.48	1.48	1.48	1.48	1.56	1.48	1.48	1.49	1.48	.....	.08
8....	1.58	1.61	1.58	1.53	1.53	1.58	1.58	1.56	1.58	1.58	1.49	1.53	.....	.12
	.....	.....	.....	.....	1.58	.....	.....	.....	.....	.....	.....	1.58	.....	.....
9....	1.58	1.61	1.58	1.58	1.58	1.58	1.58	1.61	1.58	1.58	1.49	1.58	.....	.12
10....	1.58	1.61	1.58	1.58	1.58	1.58	1.58	1.61	1.58	1.58	1.49	1.58	.....	.12
11....	1.58	1.61	1.58	1.58	1.58	1.58	1.58	1.61	1.58	1.58	1.49	1.58	.....	.12
12....	1.58	1.61	1.58	1.58	1.58	.158	1.58	1.61	1.58	1.58	1.49	1.58	.....	.12
13....	1.58	1.61	1.58	1.58	1.58	1.58	1.58	1.61	1.58	1.58	1.49	1.58	.....	.12
14....	1.58	1.61	1.58	1.58	1.58	.158	1.58	1.61	1.58	1.58	1.49	1.58	.....	.12
15....	1.58	1.61	1.58	1.58	1.58	1.58	1.58	1.61	1.58	1.58	1.49	1.58	.....	.12
16....	1.58	1.61	1.58	1.58	1.58	1.58	1.58	1.61	1.58	1.58	1.49	1.58	.....	.12
17....	1.58	1.61	1.58	1.58	1.58	1.58	1.58	1.61	1.58	1.58	1.49	1.58	.....	.12
18....	1.58	1.61	1.58	1.58	1.58	1.58	1.58	1.61	1.58	1.58	1.49	1.58	.....	.12
19....	1.58	1.61	1.58	1.58	1.58	1.58	1.58	1.61	1.58	1.58	1.49	1.58	.....	.12
20....	1.58	1.61	1.58	1.58	1.58	1.58	1.58	1.61	1.58	1.58	1.49	1.58	.....	.12
21....	1.58	1.61	1.58	1.58	1.58	1.58	1.58	1.61	1.58	1.58	1.49	1.58	.....	.12
22....	1.58	1.61	1.58	1.58	1.58	1.58	1.58	1.61	1.58	1.58	1.49	1.58	.....	.12
23....	1.58	1.61	1.58	1.58	1.58	1.58	1.58	1.61	1.58	1.58	1.49	1.58	.....	.12
24....	1.58	1.61	1.58	1.58	1.58	1.58	1.58	1.61	1.58	1.58	1.49	1.58	.....	.12
25....	1.58	1.61	1.58	1.58	1.58	1.58	1.58	1.61	1.58	1.58	1.49	1.58	.....	.12
26....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.61	1.53	1.53	1.49	1.53	.....	.12
27....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.56	1.53	1.53	1.49	1.53	.....	.07
28....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.56	1.53	1.53	1.49	1.53	.....	.07

* The quotations, where necessary, have been converted to a zone 1 basis by a 2¢ differential for zone 3 and a 1¢ differential for zone 2. For subscriber #8, all quotations up to June 1st, 1920; subscriber #11, Oct. 1 to Nov. 1, 1918; subscriber #14, from June 3 to Oct. 13, 1919.

Flaxseed crushing industry—Price changes of individual council members from October 1, 1918, to June 28, 1920, inc.—Zone 1, prompt delivery—Con.

Sub. No.....	1	2	3	4	5	6	7	8*	9	10	11*	12	14*	Competitive gal. spread.
1918.														
Nov. 29....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	0.04
30....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
Dec. 1....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
2....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
3....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
4....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
5....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
6....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
7....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
8....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
9....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
10....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
11....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
12....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
13....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
14....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
15....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
16....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
17....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
18....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
19....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
20....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
21....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
22....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
23....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
24....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
25....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
26....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04
27....	1.53	1.53	1.53	1.53	15.3	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....	.04

	28....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.04
	29....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.04
	30....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.04
	31....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.04
	1919.														
Jan.	1....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.04
	2....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.04
	3....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.04
	4....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.04
	5....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.04
	6....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.04
	7....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.04
	8....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.04
	9....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.04
	10....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.04
	11....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.04
	12....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.04
	13....	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.04
	14....	1.53	1.53	1.48	1.53	1.48	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.04
	15....	1.48	1.48	1.43	1.48	1.43	1.43	1.48	1.48	1.48	1.48	1.48	1.49	1.43	.05
		1.43			1.43			1.43	1.43	1.43	1.43				.06
	16....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.06
	17....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.06
	18....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.06
	19....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.06
	20....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.06
	21....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.06
	22....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.06
	23....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.06
	24....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.06
	25....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.06
	26....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.06
	27....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.06
	28....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.06
	29....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.06
	30....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.06

* The quotations, where necessary, have been converted to a zone 1 basis by a 2¢ differential for zone 3 and a 1¢ differential for zone 2. For subscriber #8, all quotations up to June 1st, 1920; subscriber #11, Oct. 1 to Nov. 1, 1918; subscriber #14, from June 3 to Oct. 13, 1919.

Flaxseed crushing industry—Price changes of individual council members from October 1, 1918, to June 28, 1920, inc.—Zone 1, prompt delivery—Con.

Sub. No.....	1	2	3	4	5	6	7	8*	9	10	11*	12	14*	Competitive gal. spread.
1919.														
Jan. 31....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.....	0.06
Feb. 1....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.....	.06
2....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.....	.06
3....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.....	.06
4....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.....	.06
5....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.....	.06
6....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.....	.06
7....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.....	.06
8....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.....	.06
9....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.....	.06
10....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.....	.06
11....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.....	.06
12....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.....	.06
13....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.....	.06
14....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.....	.06
15....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.....	.06
16....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.49	1.43	.....	.06
17....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	.00
18....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	.00
19....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	.00
20....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	.00
21....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	.00
23....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	.00
24....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	.00
25....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	.00
26....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	.00
27....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	.00
28....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	.00
Mar. 1....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	.00

		2....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	.00
		3....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	.00
		4....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	.00
		5....	1.43	1.48	1.48	1.48	1.43	1.48	1.43	1.43	1.43	1.48	1.43	1.43	.....	.05
		6....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		7....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		8....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		9....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		10....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		11....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		12....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		13....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		14....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		15....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		16....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		17....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		18....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		19....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		20....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		21....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		22....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		23....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		24....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		25....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		26....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		27....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		28....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		29....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		30....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		31....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.482	1.48	1.48	.....	.00
343	Apr.	1....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		2....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		3....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		4....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		5....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		6....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00
		7....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	.00

* The quotations, where necessary, have been converted to a zone 1 basis by a 2¢ differential for zone 3 and a 1¢ differential for zone 2. For subscriber #8, all quotations up to June 1st, 1920; subscriber #11, Oct. 1 to Nov. 1, 1918; subscriber #14, from June 3 to Oct. 13, 1919.

Flaxseed crushing industry—Price changes of individual council members from October 1, 1918, to June 28, 1920, inc.—Zone 1, prompt delivery—Con.

Sub. No.....	1	2	3	4	5	6	7	8*	9	10	11*	12	14*	Competitive gal. spread.
1919.														
Apr. 8....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	0.00
9....	1.51	1.51	1.51	1.51	1.48	1.48	1.48	1.48	1.48	1.51	1.48	1.51	.....	.03
10....	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	.....	.00
11....	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	.....	.00
12....	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	.....	.00
13....	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	.....	.00
14....	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	.....	.00
15....	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	.....	.00
16....	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	.....	.00
17....	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	.....	.00
18....	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	.....	.00
19....	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	.....	.00
20....	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	.....	.00
21....	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	.....	.00
22....	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	.....	.00
23....	1.56	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	.....	.05
24....	1.56	1.51	1.56	1.51	1.56	1.56	1.51	1.51	1.51	1.56	1.51	1.51	.....	.05
25....	1.56	1.56	1.56	1.56	1.56	1.56	1.51	1.56	1.56	1.56	1.51	1.56	.....	.05
26....	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.51	1.56	.....	.05
27....	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.51	1.56	.....	.05
28....	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	.....	.00
29....	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	.....	.00
30....	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.54	.....	.02
May 1....	1.56	1.56	1.54	1.56	1.54	1.56	1.56	1.56	1.56	1.54	1.56	1.54	.....	.02
2....	1.56	1.54	1.54	1.56	1.54	1.56	1.56	1.56	1.56	1.54	1.56	1.54	.....	.02
3....	1.56	1.54	1.54	1.54	1.54	1.56	1.56	1.56	1.56	1.54	1.56	1.54	.....	.02
4....	1.56	1.54	1.54	1.54	1.54	1.56	1.56	1.56	1.56	1.54	1.56	1.54	.....	.02
5....	1.56	1.54	1.54	1.54	1.54	1.56	1.56	1.56	1.54	1.54	1.56	1.54	.....	.02
6....	1.56	1.54	1.54	1.54	1.54	1.56	1.54	1.56	1.54	1.54	1.56	1.54	.....	.02

	7	1.54	1.54	1.54	1.54	1.54	1.56	1.54	1.56	1.54	1.54	1.56	1.54	.....	.02
	8	1.54	1.54	1.54	1.54	1.54	1.56	1.54	1.54	1.54	1.54	1.54	1.54	.....	.02
	9	1.54	1.54	1.54	1.54	1.54	1.56	1.54	1.54	1.54	1.54	1.54	1.54	.....	.02
	10	1.54	1.54	1.54	1.54	1.54	1.56	1.54	1.54	1.54	1.54	1.54	1.54	.....	.02
	11	1.54	1.54	1.54	1.54	1.54	1.56	1.54	1.54	1.54	1.54	1.54	1.54	.....	.02
	12	1.54	1.54	1.54	1.54	1.54	1.56	1.54	1.54	1.54	1.54	1.54	1.54	.....	.02
	13	1.54	1.54	1.54	1.54	1.54	1.56	1.54	1.54	1.54	1.54	1.54	1.54	.....	.02
	14	1.56	1.54	1.54	1.54	1.54	1.56	1.54	1.54	1.54	1.54	1.54	1.54	.....	.02
	15	1.56	1.54	1.54	1.54	1.54	1.56	1.54	1.54	1.54	1.54	1.54	1.54	.....	.02
	16	1.56	1.54	1.56	1.54	1.54	1.56	1.54	1.54	1.54	1.54	1.54	1.54	.....	.02
	17	1.56	1.54	1.56	1.56	1.56	1.56	1.54	1.54	1.54	1.54	1.54	1.54	.....	.02
	18	1.56	1.54	1.56	1.56	1.56	1.56	1.54	1.54	1.56	1.56	1.54	1.54	.....	.02
	19	1.56	1.54	1.56	1.56	1.56	1.56	1.56	1.54	1.56	1.56	1.54	1.54	.....	.02
	20	1.56	1.54	1.56	1.56	1.5[illegible]	1.54	1.56	1.56	1.56	1.56	1.54	1.54	.....	.02
	21	1.56	1.54	1.56	1.56	1.56	1.54	1.56	1.56	1.56	1.56	1.54	1.54	.....	.02
	22	1.56	1.54	1.56	1.56	1.54	1.54	1.56	1.56	1.56	1.56	1.56	1.54	.....	.02
	23	1.56	1.54	1.56	1.56	1.54	1.54	1.56	1.56	1.56	1.56	1.56	1.54	.....	.02
	24	1.56	1.54	1.56	1.56	1.54	1.54	1.56	1.56	1.56	1.56	1.56	1.54	.....	.02
	25	1.56	1.54	1.56	1.56	1.54	1.54	1.56	1.56	1.56	1.56	1.56	1.54	.....	.02
	26	1.56	1.54	1.56	1.56	1.54	1.54	1.56	1.56	1.56	1.56	1.56	1.54	.....	.02
	27	1.56	1.54	1.59	1.59	1.56	1.56	1.56	1.56	1.59	1.56	1.56	1.56	.....	.05
						1.59									
	28	1.59	1.59	1.59	1.59	1.59	1.61	1.59	1.56	1.59	1.69	1.59	1.59	.....	.05
	29	1.59	1.62	1.59	1.59	1.59	1.61	1.59	1.59	1.59	1.59	1.59	1.59	.....	.03
	30	1.59	1.62	1.59	1.59	1.59	1.61	1.59	1.59	1.59	1.59	1.59	1.59	.....	.03
	31	1.59	1.62	1.59	1.59	1.59	1.61	1.59	1.59	1.59	1.59	1.59	1.59	.....	.03
344	June 1	1.59	1.62	1.59	1.59	1.59	1.61	1.59	1.59	1.59	1.59	1.59	1.59	.....	.03
	2	1.59	1.62	1.59	1.59	1.59	1.61	1.59	1.5[illegible]	1.59	1.59	1.59	1.59	.....	.03
	3	1.68	1.64	1.64	1.68	1.64	1.64	1.68	1.59	1.64	1.64	1.59	1.66	1.59	.09
				1.68			1.68			1.68					
	4	1.78	1.70	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.59	1.71	1.59	.19
	5	1.78	1.70	1.71	1.70	1.68	1.71	1.68	1.68	1.68	1.68	1.59	1.71	1.59	.19
	6	1.78	1.70	1.71	1.70	1.71	1.71	1.71	1.71	1.71	1.71	1.71	1.71	1.71	.08
	7	1.78	1.70	1.71	1.70	1.71	1.71	1.71	1.71	1.71	1.71	1.71	1.71	1.71	.08
	8	1.78	1.70	1.71	1.70	1.71	1.71	1.71	1.71	1.71	1.71	1.71	1.71	1.71	.08
	9	1.78	1.70	1.71	1.70	1.71	1.71	1.71	1.71	1.71	1.71	1.71	1.71	1.71	.08
	10	1.78	1.70	1.71	1.71	1.71	1.71	1.71	1.71	1.71	1.71	1.71	1.71	1.71	.08

* The quotations, where necessary, have been converted to a zone 1 basis by a 2¢ differential for zone 3 and a 1¢ differential for zone 2. For subscriber #8, all quotations up to June 1st, 1920; subscriber #11, Oct. 1 to Nov. 1, 1918; subscriber #14, from June 3 to Oct. 13, 1919.

Flaxseed crushing industry—Price changes of individual council members from October 1, 1918, to June 28, 1920, inc.—Zone 1, prompt delivery—Con.

Sub. No.	1	2	3	4	5	6	7	8*	9	10	11*	12	14*	Competitive gal. spread.
1919.														
June 11	1.78	1.75	1.78	1.75	1.71	1.78	1.78	1.71	1.78	1.71	1.71	1.71	1.71	0.07
12	1.86	1.78	1.83	1.75	1.78	1.83	1.78	1.78	1.78	1.78	1.71	1.81	1.81	.15
13	1.86	1.83	1.83	1.78	1.78	1.83	1.83	1.78	1.83	1.83	1.83	1.81	1.81	.08
14	1.86	1.83	1.81	1.83	1.83	1.83	1.83	1.78	1.83	1.83	1.83	1.81	1.81	.08
15	1.86	1.83	1.81	1.83	1.83	1.83	1.83	1.78	1.83	1.83	1.83	1.81	1.81	.08
16	1.86	1.83	1.81	1.83	1.83	1.83	1.83	1.85	1.83	1.83	1.83	1.83	1.81	.05
17	1.86	1.83	1.83	1.83	1.81	1.83	1.83	1.85	1.83	1.83	1.83	1.83	1.83	.05
18	1.86	1.83	1.83	1.83	1.81	1.83	1.83	1.85	1.83	1.83	1.83	1.83	1.83	.05
19	1.86	1.83	1.86	1.83	1.81	1.83	1.83	1.85	1.83	1.83	1.83	1.83	1.83	.05
20	1.86	1.86	1.86	1.83	1.81	1.86	1.86	1.85	1.86	1.83	1.83	1.83	1.86	.05
21	1.86	1.86	1.86	1.83	1.83	1.86	1.86	1.85	1.86	1.86	1.83	1.83	1.86	.03
22	1.86	1.86	1.86	1.83	1.83	1.86	1.86	1.85	1.86	1.83	1.83	1.83	1.86	.03
23	1.86	1.86	1.86	1.83	1.83	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	.03
24	1.86	1.86	1.86	1.86	1.83	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	.03
25	1.86	1.86	1.86	1.86	1.83	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	.03
26	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	.00
27	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	.00
28	1.93	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	.07
29	1.93	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	.07
30	1.93	1.90	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.93	1.86	1.96	1.86	.07
	.....	1.93	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
July 1	1.93	1.93	1.93	1.86	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	.07
2	1.93	2.00	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	.07
3	1.93	2.00	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	2.00	1.93	1.93	.07
4	1.93	2.00	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	2.00	1.93	1.93	.07
5	1.93	2.00	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	2.00	1.93	1.93	.07
6	1.93	2.00	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	2.00	1.93	1.93	.07
7	2.10	2.10	2.10	1.93	1.93	2.03	1.93	2.10	1.93	2.00	1.93	2.00	1.93	.17

	8....	2.10	2.10	2.10	2.10	2.10	2.03	2.10	2.10	2.10	2.10	1.93	2.00	2.00 / 2.10	.17
	9....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	.10
	10....	2.10	2.20	2.10	2.10	2.10	2.15	2.10	2.10	2.10	2.10	2.10	2.10	2.10	.10
	11....	2.15	2.20	2.25	2.25	2.16	2.15	2.10	2.15	2.10	2.10	2.10	2.15	2.10	.15
	12....	2.15	2.15	2.25	2.25	2.16	2.15	2.10	2.15	2.10	2.15	2.10	2.15	2.15	.15
	13....	2.15	2.15	2.25	2.25	2.16	2.15	2.10	2.15	2.10	2.15	2.10	2.15	2.15	.15
	14....	2.15	2.15	2.15	2.25	2.16	2.15	2.15	2.15	2.15	2.15	2.10	2.15	2.25	.15
	15....	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	.00
	16....	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	.00
	17....	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	.00
	18....	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	.00
	19....	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	.00
	20....	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	.00
	20....	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	.00
	21....	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	.00
	22....	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	.00
	23....	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	.00
	24....	2.15	2.15	2.15	2.15	2.15	2.20	2.15	2.15	2.15	2.15	2.15	2.15	2.15	.05
	25....	2.20	2.20	2.20	2.20	2.18	2.20	2.15	2.15	2.15	2.20	2.15	2.15	2.15	.05
	26....	2.20	2.20	2.20	2.20	2.18	2.20	2.20	2.15	2.20	2.20	2.15	2.15	2.15	.05
	27....	2.20	2.20	2.20	2.20	2.18	2.20	2.20	2.15	2.20	2.20	2.15	2.15	2.15	.05
	28....	2.20	2.20	2.20	2.20	2.18	2.20	2.20	2.20	2.20	2.20	2.20	2.15	2.15	.05
	29....	2.20	2.20	2.20	2.20	2.18	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.15	.05
	30....	2.20	2.20	2.20	2.20	2.18	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.15	.05
	31....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.15	.05
345	Aug. 1....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.00	2.20	.00
	2....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
	3....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
	4....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
	5....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
	6....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
	7....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
	8....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
	9....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
	10....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
	11....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00

* The quotations, where necessary, have been converted to a zone 1 basis by a 2¢ differential for zone 3 and a 1¢ differential for zone 2. For subscriber #8, all quotations up to t, 1920; subscriber #11, Oct. 1 to Nov. 1, 1918; subscriber #14, from June 3 to Oct. 13, 1919.

Flaxseed crushing industry—Price changes of individual council members from October 1, 1918, to June 28, 1920, inc.—Zone 1, prompt delivery—Con.

Sub. No.....	1	2	3	4	5	6	7	8*	9	10	11*	12	14*	Competitive gal. spread.
1919.														
Aug. 12....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	0.00
13....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
14....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
15....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
16....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
17....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
19....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
20....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
21....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
22....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
23....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
24....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
25....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
26....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
27....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
28....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	.00
29....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.10	2.20	2.20	2.20	2.20	2.20	.10
30....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.10	2.20	2.20	2.20	2.20	2.20	.10
31....	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.10	2.20	2.20	2.20	2.20	2.20	.10
Sept. 1....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.20	2.10	2.09	.11
2....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
3....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
4....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
5....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
6....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
7....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
8....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
9....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
10....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01

		11....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
		12....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
		13....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
		14....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
		15....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
		16....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
		17....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
		18....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
		19....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
		20....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
		21....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
		22....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
		23....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
		24....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
		25....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
		27....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
		28....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
		29....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
		30....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
		31....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.09	.01
346	Oct.	1....	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	.00
		2....	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	.00
		3....	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	.00
		4....	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	.00
		5....	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	.00
		6....	1.70	1.84	1.70	1.84	1.84	1.70	1.70	1.70	1.84	1.84	1.84	1.84	1.84	.14
		7....	1.70	1.84	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.84	1.84	1.70	1.70	.14
		8....	1.70	1.80	1.80	1.80	1.80	1.70	1.70	1.70	1.70	1.70	1.70	1.80	1.80	.10
												1.80				
		9....	1.80	1.80	1.70	1.80	1.80	1.70	1.70	1.80	1.70	1.80	1.70	1.80	1.80	.10
		10....	1.80	1.80	1.70	1.80	1.80	1.70	1.70	1.80	1.70	1.80	1.70	1.80	1.80	.10
		11....	1.80	1.80	1.70	1.80	1.80	1.70	1.70	1.80	1.70	1.80	1.70	1.80	1.80	.10
		12....	1.80	1.80	1.70	1.80	1.80	1.70	1.70	1.80	1.70	1.80	1.70	1.80	1.80	.10
		13....	1.80	1.70	1.70	1.80	1.80	1.70	1.70	1.80	1.70	1.80	1.70	1.80	1.80	.10
		14....	1.80	1.70	1.70	1.80	1.70	1.70	1.70	1.80	1.70	1.80	1.70	1.80	1.70	.10
		15....	1.70	1.70	1.70	1.80	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.80	1.70	.10
		16....	1.70	1.70	1.70	1.80	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.10

* The quotations, where necessary, have been converted to a zone 1 basis by a 2¢ differential for zone 3 and a 1¢ differential for zone 2. For subscriber #8, all quotations up to June 1st, 1920; subscriber #11, Oct. 1 to Nov. 1, 1918; subscriber #14, from June 3 to Oct. 13, 1919.

Flaxseed crushing industry—Price changes of individual council members from October 1, 1918, to June 28, 1920, inc.—Zone 1, prompt delivery—Con.

Sub. No.....	1	2	3	4	5	6	7	8*	9	10	11*	12	14*	Competitive gal. spread.
1919.														
Oct. 17....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	0.00
18....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
19....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
20....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
21....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
22....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
23....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
24....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
25....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
26....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
27....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
28....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
29....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
30....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	17.0	1.70	1.70	1.70	1.70	.00
31....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
Nov. 1....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
2....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
3....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
4....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
5....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
6....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
7....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
8....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
9....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
10....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
11....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
12....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
13....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
14....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00

	15....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
	16....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
	17....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
	18....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
	19....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
	20....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
	21....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.00
	22....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.05
	23....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.05
	24....	1.75	1.75	1.75	1.70	1.75	1.75	1.70	1.75	1.75	1.75	1.75	1.75	1.70	.05
	25....	1.75	1.75	1.75	1.70	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.70	.05
	26....	1.75	1.75	1.75	1.70	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.05
	27....	1.75	1.75	1.75	1.70	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.05
	28....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	29....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	30....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
347	Dec. 1....	1.75	1.75	1.85	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.10
	2....	1.85	1.75	1.85	1.75	1.75	1.75	1.75	1.75	1.75	1.85	1.75	1.75	1.75	.10
	3....	1.85	1.75	1.85	1.85	1.75	1.75	1.75	1.75	1.75	1.85	1.75	1.75	1.75	.10
	4....	1.85	1.85	1.85	1.85	1.75	1.75	1.85	1.75	1.85	1.85	1.75	1.75	1.75	.10
	5....	1.85	1.85	1.85	1.85	1.75	1.75	1.85	1.75	1.85	1.85	1.75	1.75	1.75	.10
	6....	1.85	1.85	1.85	1.85	1.75	1.75	1.85	1.75	1.85	1.85	1.75	1.75	1.75	.10
	7....	1.85	1.85	1.85	1.85	1.75	1.75	1.85	1.75	1.85	1.85	1.75	1.75	1.75	.10
	8....	1.85	1.85	1.85	1.85	1.75	1.75	1.85	1.75	1.85	1.85	1.75	1.85	1.75	.10
	9....	1.85	1.85	1.85	1.85	1.75	1.85	1.85	1.75	1.85	1.85	1.75	1.85	1.85	.10
	10....	1.85	1.85	1.85	1.85	1.75	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	.10
	11....	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.95	1.85	1.85	1.85	1.85	1.85	.00
	12....	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	.00
	13....	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	.00
	14....	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	.00
	15....	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	.00
	16....	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	.00
	17....	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	.00
	18....	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	.00
	19....	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	.00

* The quotations, where necessary, have been converted to a zone 1 basis by a 2¢ differential for zone 3 and a 1¢ differential for zone 2. For subscriber #8, all quotations up to June 1st, 1920; subscriber #11, Oct. 1 to Nov. 1, 1918; subscriber #14, from June 3 to Oct. 13, 1919.

Flaxseed crushing industry—Price changes of individual council members from October 1, 1918, to June 28, 1920, inc.—Zone 1, prompt delivery—Cnn.

Sub. No.....	1	2	3	4	5	6	7	8*	9	10	11*	12	14*	Competitive gal. spread.
1919.														
Dec. 20....	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	0.00
21....	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	.00
22....	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	.00
23....	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	.00
24....	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	.00
25....	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	.00
26....	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.95	1.85	.00
27....	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	.00
28....	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	.00
29....	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	.00
30....	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	.00
31....	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	.00
1920.														
Jan. 1....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
2....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
3....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
4....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
5....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
6....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
7....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
8....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
9....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
10....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
11....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
12....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
13....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
14....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
15....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00

	16....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	17....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	18....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	19....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	20....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	21....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	22....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	23....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	24....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	25....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	26....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	27....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	28....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.74	1.75	1.75	1.75	1.75	.00
	29....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	30....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	31....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
348	Feb. 1....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	2....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	3....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	4....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	5....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	6....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	7....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	8....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	9....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	10....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	11....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	12....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	13....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	14....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	15....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	16....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	17....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	18....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	19....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	20....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
	21....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00

* The quotations, where necessary, have been converted to a zone 1 basis by a 2¢ differential for zone 3 and a 1¢ differential for zone 2. For subscriber #8, all quotations up to June 1st, 1920; subscriber #11, Oct. 1 to Nov. 1, 1918; subscriber #14, from June 3 to Oct. 13, 1919.

Flaxseed crushing industry—Price changes of individual council members from October 1, 1918, to June 28, 1920, inc.—Zone 1, prompt delivery—Con.

Sub. No.....	1	2	3	4	5	6	7	8*	9	10	11*	12	14*	Competitive gal. spread.
1920.														
Feb. 22....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	0.00
23....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
24....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
25....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
26....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
27....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
28....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
29....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
Mar. 1....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
2....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
3....	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	.00
4....	1.75	1.75	1.77	1.75	1.75	1.77	1.75	1.75	1.77	1.75	1.75	.....	1.75	.02
5....	1.77	1.77	1.77	1.77	1.75	1.77	1.77	1.75	1.77	1.77	1.75	.....	1.75	.02
6....	1.77	1.77	1.77	1.77	1.75	1.77	1.77	1.75	1.77	1.77	1.75	.....	1.75	.02
7....	1.77	1.77	1.77	1.77	1.75	1.77	1.77	1.75	1.77	1.77	1.75	.....	1.75	.02
8....	1.77	1.77	1.82	1.80	1.75	1.77	1.77	1.77	1.77	1.77	1.77	.....	1.75	.07
9....	1.82	1.82	1.82	1.82	1.75	1.82	1.82	1.77	1.82	1.82	1.77	.....	1.82	.07
10....	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.77	1.82	1.82	1.82	.....	1.82	.05
11....	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.77	1.82	1.82	1.82	.....	1.82	.05
12....	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	.....	1.82	.00
13....	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	.....	1.82	.00
14....	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	.....	1.82	.00
15....	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	.....	1.82	.00
16....	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	.....	1.82	.00
17....	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	.....	1.82	.00
18....	1.82	1.82	1.82	1.87	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82	.05
19....	1.82	1.82	1.82	1.87	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82	.05
20....	1.82	1.82	1.82	1.87	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82	.05
21....	1.82	1.82	1.82	1.87	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82	.05

	22....	1.82	1.82	1.82	1.87	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82	.05
	23....	1.82	1.82	1.82	1.87	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82	.05
	24....	1.82	1.82	1.82	1.87	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82	.05
	25....	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82	.00
	26....	1.72	1.82	1.72	1.82	1.72	.....	1.82	1.72	1.82	1.82	1.82	.....	1.82	.10
	27....	1.82	1.72	1.72	1.82	1.72	.....	1.72	1.72	1.72	1.82	1.82	.....	1.82	.10
	28....	1.82	1.72	1.72	1.82	1.72	.....	1.72	1.72	1.72	1.82	1.82	.....	1.82	.10
	29....	1.82	1.72	1.82	1.82	1.72	.....	1.82	1.72	1.82	1.82	1.82	.....	1.82	.10
	30....	1.82	1.82	1.82	1.82	1.72	.....	1.82	1.72	1.82	1.82	1.82	.....	1.82	.10
	31....	1.82	1.82	1.82	1.82	1.72	.....	1.82	1.72	1.82	1.82	1.82	.....	1.82	.10
349	Apr. 1....	1.82	1.82	1.82	1.82	1.72	.....	1.82	1.72	1.82	1.82	1.82	.....	1.82	.10
	2....	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.72	1.82	1.82	1.82	.....	1.82	.10
	3....	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.72	1.82	1.82	1.82	.....	1.82	.10
	4....	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.72	1.82	1.82	1.82	.....	1.82	.10
	5....	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.72	1.82	1.82	1.82	.....	1.82	.10
	6....	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.72	1.82	1.82	1.82	.....	1.82	.10
	7....	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82	.00
	8....	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82	.00
	9....	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82	.00
	10....	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82	.00
	11....	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82	.00
	12....	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82	.00
	13....	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82	.00
	14....	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82	.00
	15....	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82	.00
	16....	1.82	1.82	1.79	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82	.00
	17....	1.82	1.79	1.79	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.79	.03
	18....	1.82	1.79	1.79	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.79	.03
	19....	1.82	1.79	1.79	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.79	.03
	20....	1.82	1.79	1.79	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.79	.03
	21....	1.82	1.79	1.79	1.82	1.79	.....	1.82	1.82	1.82	1.82	1.82	.....	1.79	.03
	22....	1.82	1.79	1.79	1.82	1.79	.....	1.82	1.82	1.82	1.82	1.82	.....	1.79	.03
	23....	1.82	1.72	1.72	1.82	1.79	.....	1.82	1.82	1.82	1.82	1.82	.....	1.79	.03
	24....	1.82	1.72	1.72	1.82	1.79	.....	1.82	1.82	1.82	1.82	1.82	.....	1.79	.10
	25....	1.82	1.72	1.72	1.82	1.79	.....	1.82	1.82	1.82	1.82	1.82	.....	1.79	.10
	26....	1.82	1.72	1.72	1.82	1.79	.....	1.82	1.82	1.82	1.82	1.82	.....	1.79	.10
	27....	1.82	1.72	1.72	1.82	1.79	.....	1.82	1.82	1.82	1.82	1.82	.....	1.72	.10

* The quotations, where necessary, have been converted to a zone 1 basis by a 2¢ differential for zone 3 and a 1¢ differential for zone 2. For subscriber #8, all quotations up to June 1st, 1920; subscriber #11, Oct. 1 to Nov. 1, 1918; subscriber #14, from June 3 to Oct. 13, 1919.

Flaxseed crushing industry—Price changes of individual council members from October 1, 1918, to June 28, 1920, inc.—Zone 1, prompt delivery—Con.

Sub. No.....	1	2	3	4	5	6	7	8*	9	10	11*	12	14*	Competitive gal. spread.
1920.														
Apr. 28....	1.82	1.72	1.72	1.72	1.79	.....	1.82	1.82	1.82	1.82	1.72	.....	1.72	0.10
29....	1.82	1.72	1.72	1.72	1.79	.....	1.82	1.82	1.82	1.82	1.72	.....	1.72	.10
30....	1.82	1.72	1.72	1.72	1.79	.....	1.82	1.82	1.82	1.82	1.72	.....	1.72	.10
May 1....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
2....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
3....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
4....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
5....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
6....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
7....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
8....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
9....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
10....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
11....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
12....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
13....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.67	.12
14....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.67	.12
15....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
16....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
17....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
18....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
19....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
20....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
21....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
22....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
23....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
24....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
25....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09
26....	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.09

	27	1.72	1.72	1.72	1.72	1.72	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.02
	28	1.72	1.72	1.72	1.72	1.72	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.02
	29	1.72	1.72	1.72	1.72	1.72	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.02
	30	1.72	1.72	1.72	1.72	1.72	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.02
	31	1.72	1.72	1.72	1.72	1.72	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72	.02
350-351	June 1	1.69	1.60	1.72	1.72	1.72	.....	1.72	1.65	1.72	1.72	1.72	.....	1.72	.02
	2	1.69	1.60	1.72	1.72	1.72	.....	1.72	1.65	1.72	1.72	1.72	.....	**1.68	.12
	3	1.69	1.60	1.72	1.72	1.72	.....	1.72	1.65	1.72	1.72	1.72	.....	**1.68	.12
	4	1.69	1.60	1.72	1.72	1.72	.....	1.72	1.65	1.72	1.72	1.72	.....	**1.68	.12
	5	1.69	1.60	1.72	1.72	1.72	.....	1.72	1.65	1.72	1.72	1.72	.....	**1.68	.12
	6	1.69	1.60	1.72	1.72	1.72	.....	1.72	1.65	1.72	1.72	1.72	.....	**1.68	.12
	7	1.69	1.60	1.72	1.72	1.72	.....	1.72	1.65	1.72	1.72	1.72	.....	**1.68	.12
	8	1.69	1.60	1.72	1.72	1.72	.....	1.72	1.65	1.72	1.72	1.72	.....	**1.68	.12
	9	1.69	1.60	1.72	1.72	1.72	.....	1.72	1.65	1.72	1.72	1.72	.....	**1.68	.12
	10	1.69	1.60	1.72	1.72	1.72	.....	1.72	1.65	1.72	1.72	1.72	.....	**1.68	.12
	11	1.69	1.60	1.69	1.72	1.72	.....	1.72	1.65	1.72	1.72	1.72	.....	**1.68	.12
	12	1.69	1.60	1.69	1.72	1.72	.....	1.72	1.65	1.72	1.72	1.72	.....	**1.68	.12
	13	1.69	1.60	1.69	1.72	1.72	.....	1.72	1.65	1.72	1.72	1.72	.....	**1.68	.12
	14	1.69	1.60	1.69	1.72	1.72	.....	1.72	1.65	1.72	1.72	1.72	.....	**1.68	.12
	15	1.69	1.60	1.69	1.72	1.72	.....	1.72	1.65	1.72	1.72	1.69	.....	**1.68	.12
	16	1.69	1.60	1.69	1.69	1.72	.....	1.72	1.58	1.72	1.72	1.69	.....	**1.68	.14
	17	1.69	1.60	1.69	1.69	1.72	.....	1.72	1.58	1.72	1.72	1.69	.....	**1.68	.14
	18	1.69	1.60	1.69	1.66	1.72	.....	1.72	1.58	1.72	1.72	1.69	.....	**1.68	.14
	19	1.69	1.60	1.69	1.66	1.69	.....	1.69	1.58	1.72	1.72	1.69	.....	**1.68	.14
	20	1.69	1.60	1.69	1.66	1.69	.....	1.69	1.58	1.69	1.72	1.69	.....	**1.68	.14
	21	1.62	1.60	1.69	1.66	1.69	.....	1.69	1.58	1.69	1.72	1.69	.....	**1.68	.14
	22	1.62	1.60	1.69	1.66	1.69	.....	1.69	1.58	1.69	1.72	1.69	.....	**1.68	.14
	23	1.62	1.60	1.69	1.66	1.69	.....	1.69	1.58	1.69	1.69	1.69	.....	**1.68	.11
	24	1.62	1.60	1.69	1.66	1.69	.....	1.69	1.58	1.69	1.69	1.69	.....	**1.68	.11
	25	1.62	1.60	1.69	1.69	1.69	.....	1.69	1.58	1.69	1.69	1.69	.....	**1.68	.11
	26	1.62	1.60	1.69	1.66	1.69	.....	1.69	1.58	1.69	1.69	1.69	.....	**1.68	.11
	27	1.62	1.60	1.69	1.69	1.69	.....	1.69	1.58	1.69	1.69	1.69	.....	**1.68	.11
	28	1.62	1.60	1.69	1.66	1.69	.....	1.62	1.58	1.69	1.69	1.69	.....	**1.68	.11
	29	1.62	1.60	1.69	1.66	1.69	.....	1.62	1.58	1.69	1.69	1.69	.....	**1.68	.11
	30	1.62	1.60	1.69	1.66	1.69	.....	1.62	1.58	1.69	1.69	1.69	.....	**1.68	.11

* The quotations, where necessary, have been converted to a zone 1 basis by a 2¢ differential for zone 3 and a 1¢ differential for zone 2. For subscriber #8, all quotations up to June 1st, 1920; subscriber #11, Oct. 1 to Nov. 1, 1918; subscriber #14, from June 3 to Oct. 13, 1919.

** Zone 2, $1.68; zone 3, $1.67.

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PLAINTIFF'S EXHIBIT 4.

[Armstrong Bureau of Related Industries.]

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Future quotation record.

OIL FOR NOVEMBER DELIVERY (1918).

[Spot quotation range—Nov. spot range: Low, 1.48; high, 1.51.]

Competitive gal. spread.	Date of quotation.	1	2	3	4	5	6	7	8	9	10	11	12
	Oct. 1	.....	.....	1.71	.....	.....	.....	.....	.....	.....	1.71	.....	1.71
	2	1.71	1.71	1.71	.....	.....	.....	.....	.....	.....	1.71	.....	1.71
	3	1.71	1.71	1.71	.....	.....	1.71	.....	.....	.....	1.71	.....	1.71
$0.10	8	1.71	1.71	1.66	.....	.....	1.66	1.66	1.76	1.66	1.66	.....	1.66
.10	9	1.71	1.71	1.66	1.76	1.66	1.66	1.66	1.76	1.66	1.66	.....	1.66
.17	10	1.71	1.74 1.61	1.61	1.76	1.66	1.61	1.61	1.76	1.59	1.66	.....	1.61
.20	11	1.66	1.61	1.56	1.61	1.66	1.56	1.61	1.76	1.56	1.61 1.56	.....	1.56
.20	12	1.66	1.61	1.56	1.56	1.56	1.56	1.61	1.76	1.56	1.56	.....	1.56
.23	16	1.66	1.58	1.53	1.56	1.53	1.56	1.53	1.76	1.53	1.56	1.63	1.53
.25	17	1.53	1.58	1.51	1.53	1.51	1.51	1.53	1.76	1.53	1.53	1.63	1.53
.28	18	1.53	1.56	1.48	1.51 1.48	1.48	1.48	1.48	1.76	1.51 1.48	1.51	1.63	1.48
.28	19	1.53	1.56	1.48	1.48	1.48	1.48	1.48	1.76	1.48	1.48	1.63	1.48
.28	23	1.48	1.56	1.48	1.48	1.48	1.48	1.48	1.76	1.48	1.48	1.63	1.48
.21	25	1.57 1.55	1.56	1.55	1.57	1.55	1.55	1.55	1.76	1.55	1.55	1.63	1.55
.21	26	1.55	1.56	1.55	1.55	1.55	1.55	1.55	1.76	1.55	1.55	1.63	1.55
.25	29	1.51	1.56	1.51	1.55	1.51	1.51	1.55	1.76	1.51	1.51	1.63	1.51
.25	30	1.51	1.56	1.51	1.51	1.51	1.51	1.51	1.76	1.51	1.51	1.63	1.51

OIL FOR DECEMBER DELIVERY (1918).

[Spot quotation range—Dec. spot range: Low, 1.49; high, 1.53.]

	Oct.	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1.68
		2	1.68	.....	1.68	.....	.....	.....	.....	.....	.....	.....	.....	.....	1.68
		3	1.68	.....	1.68	.....	.....	1.68	.....	.....	.....	.....	.....	.....	1.68
$0.01		5	1.68	.....	1.68	.....	.....	1.68	.....	.....	.....	1.67	.....	.....	1.68
.05		7	1.68	.....	1.68	.....	.....	1.68	.....	.....	.....	1.68	.....	.....	1.63
.10		8	1.68	.....	1.63	.....	.....	1.63	1.63	1.73	1.63	1.63	.....	.....	1.63
.13		9	1.68	.....	1.63	1.76	1.63	1.63	1.63	1.73	1.63	1.63	.....	.....	1.63
.18		10	1.68	1.58	1.58	1.76	1.63	1.58	1.58	1.73	1.59	1.63	.....	.....	1.58
.20		11	1.56	1.58	1.53	1.58	1.63	1.53	1.58	1.73	1.53	{ 1.58 / 1.53 }	.....	.....	1.53
.20		12	1.56	1.58	1.53	1.53	1.53	1.53	1.53	1.73	1.53	1.53	.....	.....	1.53
.20		16	1.56	1.58	1.53	1.53	1.53	1.53	1.53	1.73	1.53	1.53	1.63	.....	1.53
.22		17	1.53	1.58	1.51	1.53	1.51	1.51	1.53	1.73	1.53	1.53	1.63	.....	1.53
.25		18	1.53	1.56	1.48	{ 1.51 / 1.48 }	1.48	1.48	{ 1.51 / 1.48 }	1.73	{ 1.51 / 1.48 }	1.51	1.63	.....	1.48
.25		19	1.53	1.56	1.48	1.48	1.48	1.48	1.48	1.73	1.48	1.48	1.63	.....	1.48
.25		24	1.55	1.56	1.48	1.48	1.48	1.48	1.48	1.73	1.48	1.48	1.63	.....	1.48
.18		25	1.55	1.56	1.55	1.55	1.55	1.55	1.55	1.73	1.55	1.55	1.63	.....	1.55
.22		29	1.53	1.56	1.51	1.51	1.51	1.51	1.51	1.73	1.51	1.55	1.63	.....	1.51
.22		30	1.53	1.56	1.51	1.51	1.51	1.51	1.51	1.73	1.51	1.51	1.63	.....	1.51
.24	Nov.	1	1.53	1.56	1.51	1.51	1.51	1.51	1.51	1.73	1.51	1.51	1.49	.....	1.51
.25		4	1.53	1.53	1.48	1.51	1.48	1.48	1.48	1.73	1.48	1.48	1.49	.....	1.48
.25		5	1.53	1.53	1.48	1.48	1.48	1.48	1.48	1.73	1.48	1.48	1.49	.....	1.48
.25		6	1.48	1.53	1.48	1.48	1.48	1.48	1.48	1.73	1.48	1.48	1.49	.....	1.48
.25		7	1.53	1.53	1.48	1.48	1.48	1.48	1.48	1.73	1.48	1.48	1.49	.....	1.48
.24		8	1.58	1.53	1.58	1.53	{ 1.53 / 1.58 }	1.58	1.58	1.73	1.58	1.58	1.49	{ 1.53 / 1.58 }	1.53
.24		9	1.58	1.53	1.58	1.58	1.58	1.58	1.58	1.73	1.58	1.58	1.49	1.58	1.58
.24		25	1.58	1.53	1.58	1.58	1.58	1.58	1.58	1.73	1.58	1.58	1.49	1.53	1.53
.24		26	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.73	1.53	1.53	1.49	1.53	1.53

Future quotation record—Continued.

355 OIL FOR JANUARY DELIVERY (1919).

[Spot quotation range—January spot range: Low, 1.42; high, 1.53.]

Competitive gal. spread.	Date of quotation.	1	2	3	4	5	6	7	8	9	10	11	12
$0.02	Oct. 17	1.53	.....	1.51	.....	.....	1.51	.....	.....	.....	.....	.....	.....
.05	18	1.53	.....	1.48	1.51 1.48	.....	1.48	1.51 1.48	.....	1.51 1.48	.....	.....	1.48
.05	19	1.53	.....	1.48	1.48	.....	1.48	1.48	.....	1.48	1.48	.....	1.48
	23	1.48	.....	1.48	1.48	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48
.07	24	1.55	.....	1.48	1.48	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48
	25	1.55	.....	1.55	1.55	1.55	1.55	1.55	.....	1.55	1.55	.....	1.55
.04	29	1.53	.....	1.51	1.51	1.51	1.51	1.55	.....	1.51	1.51	.....	1.51
.02	30	1.53	.....	1.51	1.51	1.51	1.51	1.51	.....	1.51	1.51	.....	1.51
.05	Nov. 4	1.53	1.53	1.48	1.51	1.48	1.48	1.48	.....	1.48	1.51	.....	1.48
.05	5	1.53	1.53	1.48	1.48	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48
.05	6	1.48	1.53	1.48	1.48	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48
.05	7	1.53	1.53	1.48	1.48	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48
.05	8	1.58	1.53	1.58	1.53	1.53 1.58	1.58	1.58	.....	1.58	1.58	.....	1.53 1.58
.05	9	1.58	1.53	1.58	1.58	1.58	1.58	1.58	.....	1.58	1.58	.....	1.58
.05	25	1.58	1.53	1.58	1.58	1.58	1.58	1.58	.....	1.58	1.58	.....	1.53
	26	1.53	1.53	1.53	1.53	1.53	1.53	1.53	.....	1.53	1.53	.....	1.53
	Dec.	1.53	1.53	1.53	1.53	1.53	1.53	1.53	.....	1.53	1.53	.....	1.53

[Spot quotation range—February spot range: Low, 1.43; high, 1.49.]

	Oct.	18	.....	.....	.....	.....	.....	1.48	1.48	.....	1.48	.....	.....	1.48
		23	.....	.....	.....	.....	1.48	1.48	1.48	.....	1.48	.....	.....	1.48
$0.07		24	1.55	.....	.....	.....	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48
		25	1.55	.....	1.55	1.55	1.55	1.55	1.55	.....	1.55	1.55	.....	1.55
.04		29	1.55	.....	1.51	1.51	1.51	1.51	1.55	.....	1.51	1.51	.....	1.51
.04		30	1.55	.....	1.51	1.51	1.51	1.51	1.51	.....	1.51	1.51	.....	1.51
.07	Nov.	4	1.55	1.53	1.48	1.51	1.48	1.48	1.48	.....	1.48	1.51	.....	1.48
.07		5	1.55	1.53	1.48	1.48	1.48	.148	1.48	.....	1.48	1.48	.....	1.48
.05		6	1.48	1.53	1.48	1.48	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48
.05		7	1.53	1.53	1.48	1.48	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48
.05		8	1.58	1.53	1.58	1.53	1.53 1.58	1.58	1.58	.....	1.58	1.58	.....	1.53 1.58
.05		9	1.58	1.53	1.58	1.58	1.58	1.58	1.58	.....	1.58	1.58	.....	1.58
.05		25	1.58	1.53	1.58	1.58	1.58	1.58	1.58	.....	1.58	1.58	.....	1.53
		26	1.53	1.53	1.53	1 53	1.53	1.53	1.53	.....	1.53	1.53	.....	1.53
	Dec.		1.53	1.53	1.53	1.53	1.53	1.53	1.53	.....	1.53	1.53	.....	1.53
.05	Jan.	14	1.53	1.53	1.48	1.53	1.53	1.48	1.53	.....	1.53	1.53	.....	1.53
.05		15	1.48 1.43	1.48	1.43	1.48 1.43	1.43	1.43	1.48 1.43	1.43	1.48 1.43	1.48 1.43	.....	1.43
		16	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	1.43

Future quotation record—Continued.

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OIL FOR MARCH DELIVERY (1919).

[Spot quotation range—March spot range: Low, 1.43; high, 1.48.]

Competitive gal-spread.	Date of quotation.	1	2	3	4	5	6	7	8	9	10	11	12
	Oct. 18	.....	.....	.....	.....	.....	.....	1.48	.....	1.48	.....	.....	1.48
	21	.....	.....	.....	.....	.....	1.48	1.48	.....	1.48	.....	.....	1.48
	23	.....	.....	.....	.....	1.48	1.48	1.48	.....	1.48	.....	.....	1.48
$0.07	24	1.55	.....	.....	.....	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48
	25	1.55	.....	1.55	1.55	1.55	1.55	1.55	.....	1.55	1.55	.....	1.55
.04	29	1.55	.....	1.51	1.51	1.51	1.51	1.55	.....	1.51	1.51	.....	1.51
.04	30	1.55	.....	1.51	1.51	1.51	1.51	1.51	.....	1.51	1.51	.....	1.51
.07	Nov. 4	1.55	1.53	1.48	1.51	1.48	1.48	1.48	.....	1.48	1.51	.....	1.48
.07	5	1.55	1.53	1.48	1.48	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48
.05	6	1.48	1.53	1.48	1.48	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48
.05	7	1.53	1.53	1.48	1.48	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48
.05	8	1.58	1.53	1.58	1.53	{ 1.53 / 1.58 }	1.58	1.58	.....	1.58	1.58	.....	{ 1.53 / 1.58 }
.05	9	1.58	1.53	1.58	1.58	1.58	1.58	1.58	.....	1.58	1.58	.....	1.58
.05	25	1.58	1.53	1.58	1.58	1.58	1.58	1.58	.....	1.58	1.58	.....	1.53
	26	1.53	1.53	1.53	1.53	1.53	1.53	1.53	.....	1.53	1.53	.....	1.53
	Dec.	1.53	1.53	1.53	1.53	1.53	1.53	1.53	.....	1.53	1.53	.....	1.53
.05	Jan. 14	1.53	1.53	1.48	1.53	1.53	1.48	1.53	.....	1.53	1.53	.....	1.53
.05	15	{ 1.48 / 1.43 }	1.48	1.43	{ 1.48 / 1.43 }	1.43	1.43	{ 1.48 / 1.43 }	1.43	{ 1.48 / 1.43 }	{ 1.48 / 1.43 }	.....	1.43
	16	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	1.43
	Feb	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	1.43

[Spot quotation range—April spot range: Low, 1.48; high, 1.56.]

	Oct.	18	.....	.....	.....	.....	.....	.....	1.48	.....	1.48	.....	.....	1.48
		23	.....	.....	.....	.....	1.48	1.48	1.48	.....	1.48	.....	.....	1.48
$0.07		24	1.55	.....	.....	.....	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48
		25	1.55	.....	1.55	1.55	1.55	1.55	1.55	.....	1.55	1.55	.....	1.55
.04		29	1.55	.....	1.51	1.51	1.51	1.51	1.55	.....	1.51	1.51	.....	1.51
.04		30	1.55	.....	1.51	1.51	1.51	1.51	1.51	.....	1.51	1.51	.....	1.51
.07	Nov.	4	1.55	1.53	1.48	1.51	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48
.07		5	1.55	1.53	1.48	1.48	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48
.05		6	1.48	1.53	1.48	1.48	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48
.05		7	1.53	1.53	1.48	1.48	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48
.05		8	1.58	1.53	1.58	1.53	{ 1.53 1.58 }	1.58	1.58	.....	1.58	1.58	.....	{ 1.53 1.58
.05		9	1.58	1.53	1.58	1.58	1.58	1.58	1.58	.....	1.58	1.58	.....	1.58
.05		25	1.58	1.53	1.58	1.58	1.58	1.58	1.58	.....	1.58	1.58	.....	1.53
		26	1.53	1.53	1.53	1.53	1.53	1.53	1.53	.....	1.53	1.53	.....	1.53
	Dec.		1.53	1.53	1.53	1.53	1.53	1.53	1.53	.....	1.53	1.53	.....	1.53
.05	Jan.	14	1.53	1.53	1.48	1.53	1.53	1.48	1.53	.....	1.53	1.53	.....	1.53
.05		15	{ 1.48 1.43 }	1.48	1.43	{ 1.48 1.43 }	1.43	1.43	{ 1.48 1.43 }	1.43	{ 1.43 1.43 }	1.48	.....	1.43
		16	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	1.43
	Feb.		1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	1.43
.05	Mar.	5	1.43	1.48	1.48	1.48	1.43	1.48	1.43	1.43	1.48	1.48	.....	1.43
		6	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	.....	1.48

Future quotation record—Continued.

359 OIL FOR MAY DELIVERY (1919).

[Spot quotation range—May Spot range: Low, 1.54; high, 1.61.]

Competitive gal. spread.	Date of quotation.	1	2	3	4	5	6	7	8	9	10	11	12
	Nov. 25	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1.53
	26	1.53	1.53	1.53	1.53	1.53	1.53	1.53	.....	1.53	1.53	.....	1.53
	Dec.	1.53	1.53	1.53	1.53	1.53	1.53	1.53	.....	1.53	1.53	.....	1.53
$6.05	Jan. 14	1.53	1.53	1.48	1.53	1.53	1.48	1.53	.....	1.53	1.53	.....	1.53
.05	15	1.48 1.43	1.48	1.43	1.48 1.43	1.43	1.43	1.48 1.43	1.43	1.48 1.43	1.48 1.43	.....	1.43
	16	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	1.43
	Feb.	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	1.43
.05	Mar. 5	1.43	1.48	1.48	1.48	1.43	1.48	1.43	1.43	1.43	1.48	.....	1.43
.05	6	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.43	1.48	1.48	.....	1.48
	Apr. 10	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
.08	23	1.56	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
.08	24	1.56	1.48	1.56	1.48	1.53	1.56	1.48	1.48	1.48	1.56	1.48	1.51
.08	25	1.56	1.56	1.56	1.56	1.56	1.56	1.48	1.56	1.56	1.56	1.48	1.56
.08	26	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.48	1.56
	28	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56
.02	30	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.54

360 OIL FOR JUNE DELIVERY (1919).

[Spot quotation range—June Spot range: Low, 1.50; high, 1.93.]

	Nov. 25	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1.53
	26	1.53	1.53	1.53	1.53	1.53	1.53	1.53	.....	1.53	1.53	.....	1.53
	Dec.	1.53	1.53	1.53	1.53	1.53	1.53	1.53	.....	1.53	1.53	.....	1.53
$0.05	Jan. 14	1.53	1.53	1.48	1.53	1.53	1.48	1.53	.....	1.53	1.53	.....	1.53

.05		15	1.48 / 1.43	1.48	1.43	1.48 / 1.43	1.43	1.43	1.48 / 1.43	1.43	1.43	1.48	1.48	.....	1.43
		16	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	1.43
	Feb.		1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	.....	1.43
.05	Mar.	5	1.43	1.48	1.48	1.48	1.43	1.48	1.43	1.43	1.43	1.48	.....	.....	1.43
.05		6	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.43	1.48	1.48	.....	.....	1.48
	Apr.	10	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
.05		23	1.53	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
.05		24	1.53	1.48	1.53	1.48	1.53	1.53	1.48	1.48	1.48	1.53	1.53	1.48	1.53
.05		25	1.53	1.53	1.53	1.53	1.53	1.53	1.48	1.53	1.53	1.53	1.53	1.48	1.53
.05		26	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.48	1.53
		28	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53
.02		30	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.51
.02	May	1	1.53	1.53	1.51	1.53	1.51	1.53	1.53	1.53	1.53	1.51	1.53	1.53	1.51
.02		2	1.53	1.51	1.51	1.53	1.51	1.53	1.53	1.53	1.53	1.51	1.53	1.53	1.51
.02		3	1.53	1.51	1.51	1.51	1.51	1.53	1.53	1.53	1.53	1.51	1.53	1.53	1.51
.02		5	1.53	1.51	1.51	1.51	1.51	1.53	1.53	1.53	1.51	1.51	1.53	1.53	1.51
.02		6	1.53	1.51	1.51	1.51	1.51	1.53	1.52	1.53	1.51	1.51	1.53	1.53	1.51
.02		7	1.51	1.51	1.51	1.51	1.51	1.53	1.52	1.53	1.51	1.51	1.53	1.51	1.51
.02		8	1.51	1.51	1.51	1.51	1.51	1.53	1.52	1.51	1.51	1.51	1.51	1.51	1.51
361 .02		14	1.53	1.51	1.51	1.51	1.51	1.53	1.52	1.51	1.51	1.51	1.51	1.51	1.51
.05		16	1.53	1.51	1.56	1.51	1.51	1.53	1.52	1.51	1.51	1.51	1.51	1.51	1.51
.05		17	1.53	1.51	1.56	1.56	1.56	1.53	1.52	1.51	1.51	1.56	1.51	1.54	
.05		19	1.53	1.51	1.56	1.56	1.52	1.53	1.51 / 1.56	1.51	1.56	1.56	1.51	1.54	
.05		20	1.53	1.54	1.56	1.56	1.52	1.54	1.56	1.51	1.56	1.56	1.51	1.54	
.05		21	1.53	1.54	1.56	1.56	1.52	1.54	1.56	1.53	1.56	1.56	1.51	1.54	
.03		22	1.53	1.54	1.56	1.56	1.54	1.54	1.56	1.53	1.56	1.56	1.56	1.54	
.06		27	1.53	1.54	1.59	1.59	1.56 / 1.59	1.56	1.56	1.53	1.59	1.56	1.56	1.56	
.08		28	1.59	1.59	1.59	1.59	1.59	1.61	1.59	1.53	1.59	1.59	1.59	1.59	
.03		29	1.59	1.62	1.59	1.59	1.59	1.61	1.59	1.59	1.59	1.59	1.59	1.59	

Future quotation record—Continued.

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OIL FOR JULY DELIVERY (1919).

[Spot quotation range—July spot range: Low, 1.86; high, 2.25.]

Competitive gal. spread.	Date of quotation.	1	2	3	4	5	6	7	8	9	10	11	12	14
$0.05	Jan. 15	1.48 1.43	.....	1.43	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Feb. 12	1.43	.....	1.43	.....	.....	1.43	.....	.....	.....	.....	.....	.....	.....
	18	1.43	.....	1.43	.....	.....	1.43	.....	.....	.....	.....	.....	1.43	.....
.05	Mar. 5	1.43	1.48	1.48	1.48	.....	1.48	.....	.....	.....	.....	.....	1.43	.....
	6	1.48	1.48	1.48	1.48	.....	1.48	.....	.....	1.48	.....	.....	1.48	.....
	Apr. 10	1.48	1.48	1.48	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48	1.48	.....
.05	23	1.53	1.48	1.48	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48	1.48	.....
.05	24	1.53	1.48	1.53	1.48	1.53	1.53	1.48	1.48	1.48	1.53	1.48	1.48	.....
.05	25	1.53	1.53	1.53	1.53	1.53	1.53	1.48	1.53	1.53	1.53	1.48	1.53	.....
.05	26	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.48	1.53	.....
	28	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	.....
.02	30	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.51	.....
.02	May 1	1.53	1.53	1.51	1.53	1.51	1.53	1.53	1.53	1.53	1.51	1.53	1.51	.....
.02	2	1.53	1.51	1.51	1.53	1.51	1.53	1.53	1.53	1.53	1.51	1.53	1.51	.....
.02	3	1.53	1.51	1.51	1.51	1.51	1.53	1.53	1.53	1.53	1.51	1.53	1.51	.....
.02	5	1.53	1.51	1.51	1.51	1.51	1.53	1.53	1.53	1.51	1.51	1.53	1.51	.....
.02	6	1.53	1.51	1.51	1.51	1.51	1.53	1.51	1.53	1.51	1.51	1.53	1.51	.....
.02	7	1.51	1.51	1.51	1.51	1.51	1.53	1.51	1.53	1.51	1.51	1.53	1.51	.....
.02	8	1.51	1.51	1.51	1.51	1.51	1.53	1.51	1.51	1.51	1.51	1.51	1.51	.....
.02	14	1.53	1.51	1.51	1.51	1 51	1.53	1.51	1.51	1.51	1.51	1.51	1.51	.....
.02	20	1.53	1.51	1.51	1.51	1.51	1.51	1.51	1.53	1.51	1.51	1.51	1.51	.....
.05	27	1.53	1.51	1.56	1.56	1.56	1.51	1.51	1.53	1.56	1.51	1.51	1.51	.....
.03	28	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.53	1.56	1.56	1.56	1.56	.....
.05	29	1.56	1.61	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	.....
363 .12	June 3	1.65	1.64	1.64 1.68	1.65	1.64	1.64 1.68	1.68	1.56	1.64 1.68	1.64	1.56	1.63	.....
.19	4	1.75	1.70	1.68	1.65	1.68	1.68	1.68	1.65	1.68	1.68	1.56	1.68	.....
.19	5	1.75	1.70	1.71	1.70	1.68	1.71	1.68	1.65	1.68	1.68	1.56	1.68	.....

| | | |

Future quotation record—Continued.

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OIL FOR AUGUST DELIVERY (1919).

[Spot quotation range—Aug. spot range: Low, 2.10; high, 2.20.]

Competitive gal. spread.	Date of quotation.	1	2	3	4	5	6	7	8	9	10	11	12	14
	Jan. 15	1.48	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
		1.43	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Feb. 12	1.43	.....	.....	.....	.....	1.43	.....	.....	.....	.....	.....	.....	.....
	18	1.43	.....	.....	.....	.....	1.43	.....	.....	.....	.....	.....	1.43	.....
$0.05	Mar. 5	1.43	.....	1.48	1.48	.....	1.48	.....	.....	.....	.....	.....	1.43	.....
	6	1.48	.....	1.48	1.48	.....	1.48	.....	.....	1.48	.....	.....	1.48	.....
	Apr. 9	1.48	1.48	1.48	1.48	.....	1.48	.....	.....	1.48	.....	.....	1.48	.....
	10	1.48	1.48	1.48	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48	1.48	.....
.05	23	1.53	1.48	1.48	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48	1.48	.....
.05	24	1.53	1.48	1.53	1.48	1.53	1.53	1.48	1.48	1.48	1.53	1.48	1.48	.....
.05	25	1.53	1.53	1.53	1.53	1.53	1.53	1.48	1.53	1.53	1.53	1.48	1.53	.....
.05	26	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.48	1.53	.....
	28	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	.....
.02	30	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.51	.....
.02	May 1	1.53	1.53	1.51	1.53	1.51	1.53	1.53	1.53	1.53	1.51	1.53	1.51	.....
.02	2	1.53	1.51	1.51	1.53	1.51	1.53	1.53	1.53	1.53	1.51	1.53	1.51	.....
.02	3	1.53	1.51	1.51	1.51	1.51	1.53	1.53	1.53	1.53	1.51	1.53	1.51	.....
.02	5	1.53	1.51	1.51	1.51	1.51	1.53	1.53	1.53	1.51	1.51	1.53	1.51	.....
.02	6	1.53	1.51	1.51	1.51	1.51	1.53	1.51	1.53	1.51	1.51	1.53	1.51	.....
.02	7	1.51	1.51	1.51	1.51	1.51	1.53	1.51	1.53	1.51	1.51	1.53	1.51	.....
.02	8	1.51	1.51	1.51	1.51	1.51	1.53	1.51	1.51	1.51	1.51	1.51	1.51	.....
.02	14	1.53	1.51	1.51	1.51	1.51	1.53	1.51	1.51	1.51	1.51	1.51	1.51	.....
.02	20	1.53	1.51	1.51	1.51	1.51	1.51	1.51	1.53	1.51	1.51	1.51	1.51	.....
.05	27	1.53	1.51	1.56	1.56	1.56	1.51	1.51	1.53	1.56	1.51	1.51	1.51	.....
.03	28	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.53	1.56	1.56	1.56	1.56	.....
.05	29	1.56	1.61	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	.....
365 .12	June 3	1.65	1.64	1.64	1.65	1.64	1.64	1.68	1.56	1.64	1.64	1.56	1.63	.....
.19	4	1.75	1.70	1.68	1.65	1.68	1.68	1.68	1.65	1.68	1.68	1.56	1.68	.....

| | | |

Future quotation record—Continued.

OIL FOR SEPTEMBER DELIVERY (1919).

[Spot quotation range—Sept. spot range: Low, 2.09; high, 2.20.]

Competitive gal. spread.	Date of quotation.	1	2	3	4	5	6	7	8	9	10	11	12	14
	Feb. 12	.....	.....	.....	.....	.....	1.43	.....	.....	.....	.....	.....	.....	.....
	17	1.43	.....	.....	.....	.....	1.43	.....	.....	.....	.....	.....	.....	.....
	18	1.43	.....	.....	.....	.....	1.43	.....	.....	.....	.....	.....	1.43	.....
$0.05	Mar. 5	1.43	.....	1.48	1.48	.....	1.48	.....	.....	.....	.....	.....	1.43	.....
	6	1.48	.....	1.48	1.48	.....	1.48	.....	.....	1.48	.....	.....	1.48	.....
	Apr. 10	1.48	.....	1.48	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48	1.48	.....
.05	23	1.53	.....	1.48	1.48	1.48	1.48	.....	1.48	1.48	.....	1.48	1.48	.....
.05	24	1.53	.....	1.53	1.48	1.53	1.53	.....	1.48	1.48	1.53	1.48	1.48	.....
.05	25	1.53	1.53	1.53	1.53	1.53	1.53	.....	1.53	1.53	1.53	1.48	1.53	.....
	28	1.53	1.53	1.53	1.53	1.53	1.53	.....	1.53	1.53	1.53	1.53	1.53	.....
.02	30	1.53	1.53	1.53	1.53	1.53	1.53	.....	1.53	1.53	1.53	1.53	1.51	.....
.02	May 1	1.53	1.53	1.51	1.53	1.51	1.53	.....	1.53	1.53	1.51	1.53	1.51	.....
.02	2	1.53	1.51	1.51	1.53	1.51	1.53	.....	1.53	1.53	1.51	1.53	1.51	.....
.02	3	1.53	1.51	1.51	1.51	1.51	1.53	.....	1.53	1.53	1.51	1.53	1.51	.....
.02	5	1.53	1.51	1.51	1.51	1.51	1.53	.....	1.53	1.51	1.51	1.53	1.51	.....
.02	6	1.53	1.51	1.51	1.51	1.51	1.53	1 51	1 53	1 51	1.51	1.53	1.51	.....
.02	7	1.51	1.51	1.51	1.51	1.51	1.53	1.51	1.53	1.51	1.51	1.53	1.51	.....
.02	8	1.51	1.51	1.51	1.51	1.51	1.53	1.51	1.51	1.51	1.51	1.51	1.51	.....
.02	14	1.53	1.51	1.51	1.51	1.51	1.53	1.51	1.51	1.51	1.51	1.51	1.51	.....
.02	20	1.53	1.51	1.51	1.51	1.51	1.51	1.51	1.53	1.51	1.51	1.51	1.51	.....
.05	27	1.53	1.51	1.56	1.56	1.56	1.51	1.51	1.53	1.56	1.51	1.51	1.51	.....
.03	28	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.53	1.56	1.56	1.56	1.56	.....
.05	29	1.56	1.61	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	.....
.12	3	1.65	1.64	1.64 1.68	1.65	1.64	1.64 1.68	1.68	1.56	1.64 1.68	1.64	1.56	1.63	.....
.19	4	1.75	1.70	1.68	1.65	1.68	1.68	1.68	1.65	1.68	1.68	1.56	1.68	.....
.19	5	1.75	1.70	1.68	1.70	1.68	1.68	1.68	1.65	1.68	1.68	1.56	1.68	.....
368 .07	June 6	1.75	1.70	1.68	1.70	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	.....
.07	10	1.75	1.70	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	.....
.10	11	1.75	1.75	1.78	1.72	1.68	1.78	1.78	1.68	1.78	1.68	1.68	1.68	1.68
.18	12	1.86	1.78	1.83	1.72	1.78	1.83	1.78	1.78	1.78	1.78	1.68	1.78	1.78

	.08		14	1.86	1.83	1.78	1.83	1.83	1.83	1.83	1.78	1.83	1.83	1.83	1.78	1.78
	.08		16	1.86	1.83	1.78	1.83	1.83	1.78	1.78	1.85	1.83	1.83	1.83	1.80	1.78
	.08		17	1.86	1.83	1.78	1.83	1.78	1.78	1.78	1.85	1.83	1.83	1.83	1.78	1.83
	.08		18	1.86	1.83	1.78	1.83	1.78	1.78	1.78	1.85	1.78	1.83	1.83	1.78	1.83
	.08		19	1.86	1.83	1.86	1.83	1.78	1.78	1.78	1.78	1.78	1.83	1.83	1.78	1.83
	.08		20	1.86	1.86	1.86	1.83	1.78	1.86	1.86	1.78	1.86	1.83	1.83	1.78	1.86
	.08		21	1.86	1.86	1.86	1.83	1.83	1.86	1.86	1.78	1.86	1.86	1.83	1.78	1.86
	.05		23	1.86	1.86	1.81	1.83	1.83	1.86	1.86	1.86	1.86	1.86	1.86	1.81	1.86
	.05		24	1.86	1.86	1.81	1.86	1.81	1.86	1.86	1.86	1.86	1.86	1.86	1.81	1.86
	.12		28	1.93	1.86	1.81	1.86	1.81	1.86	1.86	1.86	1.86	1.86	1.86	1.81	1.86
	.07		30	1.93	{ 1.90 / 1.93 }	1.93	1.86	1.93	1.93	1.86	1.93	1.93	1.93	1.86	1.88	1.93
	.07	July	1	1.93	1.93	1.93	1.86	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
	.07		2	1.93	2.00	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
	.07		3	1.93	2.00	1.93	1.93	1.93	1.93	1.93	1.93	1.93	2.00	1.93	1.93	1.93
	.17		7	2.10	2.10	2.10	1.93	1.93	2.03	1.93	2.10	1.93	2.00	1.93	2.00	1.93
	.17		8	2.10	2.10	2.10	2.10	2.10	2.03	2.10	2.10	2.10	2.10	1.93	2.00	{ 2.00 / 2.10 }
	.10		9	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.00	2.10
	.10		10	2.10	2.20	2.10	2.10	2.10	2.15	2.10	2.10	2.10	2.10	2.10	2.10	2.10
	.15		11	2.15	2.20	2.25	2.25	2.16	2.15	2.10	2.15	2.10	2.10	2.10	2.15	2.10
	.15		12	2.15	2.15	2.25	2.25	2.16	2.15	2.10	2.15	2.10	2.15	2.10	2.15	2.15
	.15		14	2.15	2.15	2.15	2.25	2.16	2.15	2.15	2.15	2.15	2.15	2.10	2.15	2.25
			15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15
369	.05		24	2.15	2.15	2.15	2.15	2.15	2.20	2.15	2.15	2.15	2.15	2.15	2.15	2.15
	.05		25	2.20	2.20	2.20	2.20	2.18	2.20	2.15	2.15	2.15	2.20	2.15	2.15	2.15
	.05		26	2.20	2.20	2.20	2.20	2.18	2.20	2.20	2.15	2.20	2.20	2.15	2.15	2.15
	.05		28	2.20	2.20	2.20	2.20	2.18	2.20	2.20	2.17	2.20	2.20	2.20	2.15	2.15
	.05		29	2.20	2.20	2.20	2.20	2.18	2.20	2.20	2.17	2.20	2.20	2.20	2.20	2.15
	.03		30	2.20	2.20	2.20	2.20	2.18	2.20	2.20	2.17	2.20	2.20	2.20	2.20	2.15
	.03		31	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.17	2.20	2.20	2.20	2.20	2.20
	.03	Aug.	1	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.17	2.20	2.20	2.20	2.20	2.20
			4	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.17	2.20	2.20	2.20	2.20	2.20
	.04		22	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20
	.10		26	2.20	2.10	2.10	2.20	2.10	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.16
	.10		27	2.20	2.10	2.10	2.10	2.10	2.10	2.20	2.20	2.20	2.20	2.20	2.10	2.10
	.10		28	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.20	2.20	2.10	2.10
	.11		29	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.20	2.10	2.09

Future quotation record—Continued.

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OIL FOR OCTOBER DELIVERY (1919).

[Spot quotation range—Oct. spot range: Low, 1.70; high, 1.84.]

Competitive gal. spread.	Date of quotation.	1	2	3	4	5	6	7	8	9	10	11	12	14
	Apr. 3	.....	.....	.....	.....	.....	1.48	.....	.....	.....	.....	.....	.....	.....
	9	1.48	.....	.....	.....	.....	1.48	.....	.....	.....	.....	.....	.....	.....
	10	1.48	.....	.....	.....	.....	1.48	.....	1.48	.....	.....	.....	.....	.....
$0.05	23	1.53	.....	.....	.....	.....	1.48	.....	1.48	.....	.....	.....	.....	.....
.05	24	1.53	.....	.....	.....	.....	1.53	.....	1.48	.....	.....	.....	.....	.....
	25	1.53	.....	.....	.....	.....	1.53	.....	1.53	.....	.....	.....	.....	.....
.02	May 2	1.53	.....	.....	.....	.....	1.53	.....	1.53	.....	.....	.....	1.51	.....
.02	3	1.53	.....	1.51	.....	.....	1.53	.....	1.53	.....	.....	.....	1.51	.....
.02	5	1.53	.....	1.51	.....	.....	1.53	.....	1.53	1.51	.....	.....	1.51	.....
.02	6	1.53	.....	1.51	.....	.....	1.53	1.51	1.53	1.51	.....	.....	1.51	.....
.02	7	1.51	.....	1.51	.....	.....	1.53	1.51	1.53	1.51	.....	.....	1.51	.....
.02	8	1.51	.....	1.51	.....	.....	1.53	1.51	1.51	1.51	.....	1.51	1.51	.....
.02	14	1.53	.....	1.51	.....	.....	1.53	1.51	1.51	1.51	.....	1.51	1.51	.....
.02	17	1.53	.....	1.51	.....	1.51	1.53	1.51	1.51	1.51	1.51	1.51	1.51	.....
.02	20	1.53	.....	1.51	.....	1.51	1.51	1.51	1.53	1.51	1.51	1.51	1.51	.....
.05	27	1.53	.....	1.56	1.56	1.56	1.51	1.51	1.53	1.56	1.51	1.51	1.51	.....
.03	28	1.56	.....	1.56	1.56	1.56	1.56	1.56	1.53	1.56	1.56	1.56	1.56	.....
	29	1.56	.....	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	.....
.09	June 3	1.65	.....	1.60	1.65	1.56	1.60	1.60	1.56	1.60	1.64	1.56	1.63	.....
.19	4	1.75	.....	1.60	1.65	1.60	1.60	1.60	1.65	1.60	1.68	1.56	1.68	.....
.19	5	1.75	.....	1.63	1.65	1.60	1.63	1.60	1.65	1.60	1.68	1.56	1.68	.....
.12	6	1.75	.....	1.63	1.65	1.63	1.63	1.63	1.68	1.63	1.68	1.63	1.68	.....
.12	10	1.75	.....	1.63	1.68	1.63	1.63	1.63	1.68	1.63	1.68	1.63	1.68	.....
.15	11	1.75	.....	1.78	1.72	1.63	1.78	1.78	1.68	1.78	1.68	1.63	1.68	.....
.23	12	1.86	.....	1.83	1.72	1.78	1.83	1.78	1.78	1.78	1.78	1.63	1.78	.....
.08	13	1.86	.....	1.83	1.78	1.78	1.83	1.83	1.78	1.83	1.83	1.83	1.78	.....
.08	14	1.86	.....	1.78	1.83	1.83	1.83	1.83	1.78	1.83	1.83	1.83	1.78	.....
.08	16	1.86	.....	1.78	1.83	1.83	1.78	1.78	1.85	1.83	1.83	1.83	1.80	.....
371 .08	17	1.86	.....	1.78	1.83	1.78	1.78	1.78	1.85	1.83	1.83	1.83	1.78	1.8

.08		18	1.86	.....	1.78	1.83	1.78	1.78	1.78	1.85	1.78	1.83	1.83	1.78	1.83
.08		19	1.86	.....	1.86	1.83	1.78	1.78	1.78	1.78	1.78	1.83	1.83	1.78	1.83
.08		20	1.86	.....	1.86	1.83	1.78	1.86	1.86	1.78	1.86	1.83	1.83	1.78	1.86
.08		21	1.86	.....	1.86	1.83	1.83	1.86	1.86	1.78	1.86	1.86	1.83	1.78	1.86
.05		23	1.86	.....	1.81	1.83	1.83	1.86	1.86	1.86	1.86	1.86	1.86	1.81	1.86
.05		24	1.86	.....	1.81	1.86	1.81	1.86	1.86	1.86	1.86	1.86	1.86	1.81	1.86
.12		28	1.93	.....	1.81	1.86	1.81	1.86	1.86	1.86	1.86	1.86	1.86	1.81	1.86
.07		30	1.93	.....	1.93	1.86	1.93	1.93	1.86	1.93	1.93	1.93	1.86	1.88	1.93
.07	July	1	1.93	.....	1.93	1.86	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
		2	1.93	.....	1.93	1.93	1.93	1.93	1.93	1.93	1.93	2.00	1.93	1.93	1.93
.07		3	1.93	.....	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
.17		7	2.10	.....	2.10	1.93	1.93	2.03	1.93	2.10	1.93	2.00	1.93	2.00	1.93
.17		8	2.10	2.00	2.10	2.10	2.10	2.03	2.10	2.10	2.10	2.10	1.93	2.00	{2.00 2.10
.10		9	2.10	2.00	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.00	2.10
.05		10	2.10	Out of market.	2.10	2.10	2.10	2.15	2.10	2.10	2.10	2.10	2.10	2.10	2.10
.15		11	2.15	.....	2.25	2.25	2.16	2.15	2.10	2.15	2.10	2.10	2.10	2.15	2.10
.15		12	2.15	.....	2.25	2.25	2.16	2.15	2.10	2.15	2.10	2.15	2.10	2.15	2.15
.15		14	2.15	.....	2.15	2.25	2.16	2.15	2.15	2.15	2.15	2.15	2.10	2.15	2.25
		15	2.15	.....	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15
.05		24	2.15	.....	2.15	2.15	2.15	2.20	2.15	2.15	2.15	2.15	2.15	2.15	2.15
.05		25	2.20	2.20	2.20	2.20	2.18	2.20	2.15	2.15	2.15	2.20	2.15	2.15	2.15
.05		26	2.20	2.20	2.20	2.20	2.18	2.20	2.20	2.15	2.20	2.20	2.15	2.15	2.15
.05		28	2.20	2.20	2.20	2.20	2.18	2.20	2.20	2.17	2.20	2.20	2.20	2.15	2.15
.05		30	2.20	2.20	2.20	2.20	2.18	2.20	2.20	2.17	2.20	2.20	2.20	2.15	2.20
.05		31	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.17	2.20	2.20	2.20	2.15	2.20
372 .05	Aug.	4	2.20	2.20	2.15	2.20	2.20	2.20	2.20	2.15	2.20	2.20	2.20	2.15	2.20
.05		5	2.20	2.20	2.15	2.20	2.20	2.20	2.20	2.15	2.20	2.20	2.20	2.15	2.15
.05		7	2.20	2.20	2.15	2.20	2.15	2.20	2.20	2.15	2.20	2.20	2.20	2.15	2.15
.05		16	2.20	2.20	2.15	2.20	2.15	2.15	2.20	2.15	2.20	2.20	2.20	2.15	2.15
.10		20	2.20	2.10	2.10	2.20	2.15	2.15	2.20	2.15	2.20	2.20	2.20	2.15	2.15
.10		21	2.20	2.10	2.10	2.20	2.15	2.10	2.20	2.15	2.20	2.20	2.20	2.10	2.10
.11		22	2.20	2.10	2.10	2.20	2.15	2.10	2.20	2.15	2.20	2.20	2.20	2.10	2.10
.11		23	2.20	2.10	2.10	2.20	2.15	2.10	2.20	2.10	2.20	2.20	2.20	2.10	2.09
.11		25	2.10	2.10	2.10	2.20	2.10	2.10	2.20	2.10	2.20	2.20	2.20	2.10	2.09
.15		26	2.10	2.10	2.10	2.20	2.05	2.10	2.20	2.10	2.20	2.20	2.20	2.10	2.09
.15		27	2.10	2.10	2.10	2.10	2.05	2.10	2.20	2.10	2.20	2.20	2.20	2.10	2.09
.20		28	2.00	2.00	2.00	2.10	2.00	2.10	2.00	2.00	2.00	2.00	2.20	2.00	2.09

Future quotation record—Continued.

OIL FOR OCTOBER DELIVERY (1919)—Continued.

[Spot quotation range—Oct. spot range: Low, 1.70; high, 1.84.]

Competitive gal. spread.	Date of quotation.	1	2	3	4	5	6	7	8	9	10	11	12	14
$0.21	Aug. 29	2.00	2.00	2.00	2.10	2.00	2.00	2.00	2.00	2.00	2.00	2.20	2.00	1.99
.21	30	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.20	2.00	1.99
.01	Sept. 2	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.99
.11	13	2.00	2.00	1.89	1.89	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.89	1.99
.12	15	1.89	2.00	1.89	1.89	1.89	2.00	2.00	1.89	2.00	2.00	2.00	1.89	1.88
.16	16	1.89	1.89	1.84	1.88	1.89	1.84	2.00	1.89	1.89	2.00	2.00	1.89	1.88
.16	17	1.84	1.89	1.84	1.84	1.84	1.84	2.00	1.84	1.89	2.00	1.89	1.84	1.88
.16	18	1.84	1.89	1.84	1.84	1.84	1.84	2.00	1.84	1.84	2.00	1.89	1.84	1.84
.16	19	1.84	1.84	1.84	1.84	1.84	1.84	2.00	1.84	1.84	2.00	1.84	1.84	1.84
.16	23	1.84	1.84	1.84	1.84	1.84	1.84	2.00	1.84	1.84	1.84	1.84	1.84	1.84
	30	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84

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OIL FOR NOVEMBER DELIVERY (1919).

[Spot quotation range—Nov. spot range: Low, 1.70; high, 1.75.]

	Apr. 23	1.53												
	25	1.53							1.53					
$0.02	May 2	1.53							1.53				1.51	
.02	3	1.53		1.51					1.53				1.51	
.02	5	1.53		1.51					1.53	1.51			1.51	
.02	6	1.53		1.51				1.51	1.53	1.51			1.51	
.02	7	1.51		1.51				1.51	1.53	1.51			1.51	
	8	1.51		1.51				1.51	1.51	1.51		1.51	1.51	
.02	14	1.53		1.51				1.51	1.51	1.51		1.51	1.51	
.02	15	1.53		1.51			1.53	1.51	1.51	1.51		1.51	1.51	
.02	17	1.53		1.51		1.51	1.53	1.51	1.51	1.51	1.51	1.51	1.51	
.02	20	1.53		1.51		1.51	1.51	1.51	1.53	1.51	1.51	1.51	1.51	

	.05		27	1.53	.....	1.56	1.56	1.56	1.51	1.51	1.53	1.56	1.51	1.51	1.51	.....
	.03		28	1.56	.....	1.56	1.56	1.56	1.56	1.56	1.53	1.56	1.56	1.56	1.56	.....
			29	1.56	.....	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	.....
	.09	June	3	1.65	.....	1.60	1.65	1.56	1.60	1.60	1.56	1.60	1.64	1.56	1.63	.....
	.19		4	1.75	.....	1.60	1.65	1.60	1.60	1.60	1.65	1.60	1.68	1.56	1.68	.....
	.19		5	1.75	.....	1.63	1.65	1.60	1.63	1.60	1.65	1.60	1.68	1.56	1.60	.....
	.15		6	1.75	.....	1.63	1.65	1.63	1.63	1.63	1.65	1.63	1.68	1.63	1.60	.....
	.15		7	1.75	.....	1.63	1.60	1.63	1.63	1.63	1.65	1.63	1.68	1.63	1.60	.....
	.15		10	1.75	.....	1.63	1.60	1.63	1.63	1.63	1.65	1.63	1.68	1.63	1.60	1.60
	.26		12	1.86	.....	1.73	1.60	1.63	1.73	1.63	Out of market.	1.63	Out of market.	1.63	1.70	1.70
	.23		13	1.86	.....	1.73	1.70	1.63	1.73	1.73	.....	1.73	.....	1.74	1.70	1.70
	.16		14	1.86	.....	1.70	1.70	1.73	1.73	1.73	.....	1.73	.....	1.74	1.70	1.70
	.16		16	1.86	.....	1.70	1.70	1.73	1.70	1.70	.....	1.73	.....	1.74	1.70	1.70
	.16		17	1.86	.....	1.70	1.70	1.70	1.70	1.70	.....	1.73	.....	1.74	1.70	1.70
	.16		18	1.86	.....	1.70	1.70	1.70	1.70	1.70	.....	1.70	.....	1.74	1.70	1.70
374	.16		27	1.86	.....	1.70	1.70	1.70	1.70	1.70	Out of market	1.70	Out of market	1.74	1.70	1.70
	.23		28	1.93	.....	1.70	1.70	1.70	1.70	1.70	.....	1.70	.....	1.74	1.70	1.70
	.23		30	1.93	.....	1.83	1.70	1.83	1.83	1.70	.....	1.70	.....	1.74	1.75	1.93
	.23	July	1	1.93	.....	1.83	1.70	1.83	1.83	1.83	.....	1.70	.....	1.74	1.80	1.93
	.23		2	1.93	.....	1.83	1.83	1.83	1.83	1.83	.....	1.70	.....	1.74	1.83	1.93
	.40		7	2.10	.....	2.00	1.83	1.83	1.93	1.83	.....	1.70	.....	1.74	*(1.80) 1.86 *(1.83) 1.93 *(1.90)	1.93
	.36		8	2.10	2.00	2.00	2.00	2.00	1.93	2.00	.....	2.00	.....	1.74	2.00	2.00
	.17		9	2.10	2.00	2.00	2.00	2.00	1.93	2.00	.....	2.00	.....	2.00	2.00	2.10
	.17		10	2.10	Out of market	2.00	2.00	2.00	1.93	2.00	.....	2.00	.....	2.00	2.10	2.10
	.27		11	2.15	.....	2.20	2.20	2.10	1.93	2.00	.....	2.00	.....	2.00	2.15	2.10
	.27		12	2.15	.....	2.20	2.20	2.10	1.93	2.00	.....	2.00	.....	2.00	2.15	2.15
	.32		14	2.15	.....	2.00	2.20	2.10	1.93	Out of market	.....	2.15	.....	2.00	2.15	2.25
	.22		15	2.15	.....	2.00	2.00	2.10	1.93	.....	.....	2.15	.....	Out of market	2.00	2.15

* Equal monthly quantities.

Future quotation record—Continued.

OIL FOR NOVEMBER DELIVERY (1919)—Continued.

[Spot quotation range—Nov. spot range: Low, 1.70; high, 1.75.]

Competitive gal. spread.		Date of quotation.		1	2	3	4	5	6	7	8	9	10	11	12	14
	$0.22	July	16	2.15	.....	2.00	2.00	2.10	1.93	.....	.....	2.15	.....	.....	1.93	2.00
	.22		17	2.15	.....	2.00	2.00	2.10	1.93	.....	.....	2.15	.....	.....	1.93	2.00
	.22		21	2.15	.....	2.00	2.00	2.10	1.93	.....	2.13	2.15	.....	.....	1.93	2.00
	.22		22	2.15	.....	2.00	2.00	2.10	1.93	.....	2.13	2.15	.....	.....	2.00	2.00
	.15		23	2.15	.....	2.00	2.00	2.10	2.00	.....	2.13	2.15	.....	.....	2.00	2.00
	.15		24	2.15	.....	2.15	2.00	2.10	2.00	.....	2.13	2.15	.....	.....	2.00	2.00
	.20		25	2.20	.....	2.15	2.15	2.00	2.00	.....	2.13	2.15	.....	.....	2.10	2.00
375	.20		26	2.20	Out of market	2.15	2.15	2.00	2.10	Out of market	2.13	2.20	Out of market	Out of market	2.10	2.00
	.20		28	2.20	.....	2.15	2.15	2.00	2.10	.....	2.13	2.20	.....	2.10	2.10	2.00
	.20		30	2.20	.....	2.15	2.15	2.00	2.10	.....	2.13	2.20	.....	2.10	2.10	2.15
	.10		31	2.20	.....	2.15	2.15	2.15	2.10	.....	2.13	2.20	.....	2.10	2.10	2.15
	.10	Aug.	4	2.20	.....	2.10	2.10	2.15	2.10	.....	2.10	2.20	.....	2.10	2.10	2.15
	.10		5	2.20	.....	2.10	2.10	2.15	2.10	.....	2.10	2.20	.....	2.10	2.10	2.10
	.10		7	2.20	.....	2.10	2.10	2.10	2.10	.....	2.10	2.20	.....	2.10	2.10	2.10
	.20		20	2.20	2.00	2.00	2.10	2.10	2.10	.....	2.10	2.20	.....	2.10	2.00	2.10
	.20		21	2.20	2.00	2.00	2.10	2.10	2.00	.....	2.10	2.20	.....	2.10	2.00	2.00
	.22		22	2.00	2.00	2.00	2.10	2.10	2.00	.....	2.00 1.98	2.20	.....	2.10	2.00	1.99
	.22		23	2.00	2.00	2.00	2.10	2.00	2.00	.....	1.98	2.20	.....	2.10	2.00	1.99
	.27		27	2.00	2.00	2.00	2.00	2.00	2.00	.....	1.98	2.20	.....	2.10	1.93	1.99
	.19		28	1.93	1.93	1.93	2.00	1.93	2.00	1.93	1.91	1.93	.....	2.10	1.93	1.99
	.19		29	1.93	1.93	1.93	2.00	1.93	1.93	1.93	1.91	1.93	.....	2.10	1.93	1.92
	.19		30	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.91	1.93	.....	2.10	1.93	1.92
	.02	Sept.	2	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.91	1.93	.....	1.93	1.93	1.92
	02		8	1.91	1.93	1.93	1.93	1.93	1.93	1.93	1.91	1.93	.....	1.93	1.93	1.92
	.02		9	1.91	1.93	1.91	1.91	1.93	1.93	1.93	1.91	1.93	.....	1.93	1.91	1.92
	.02		10	1.91	1.93	1.91	1.91	1.93	1.91	1.93	1.91	1.93	.....	1.93	1.91	1.91
	.02		11	1.91	1.93	1.91	1.91	1.93	1.91	1.91	1.91	1.93	.....	1.93	1.91	1.91

	.04		13	1.91	1.93	1.89	1.89	1.91	1.91	1.91	1.91	1.93	.....	1.93	1.89	1.91
	.06		15	1.89	1.93	1.87	1.89	1.87	1.87	1.91	1.89	1.93	.....	1.93	1.89	1.88
	.09		16	1.87	1.87	1.84	1.87	1.87	1.84	1.91	1.87	1.87	.....	1.93	1.87	1.88
	.07		17	1.84	1.87	1.84	1.84	1.84	1.84	1.91	1.84	1.87	.....	1.89	1.84	1.88
	.07		18	1.84	1.87	1.84	1.84	1.84	1.84	1.91	1.84	1.84	.....	1.89	1.84	1.84
	.09		19	1.84	1.84	1.84	1.84	1.84	1.84	1.91	1.84	1.84	.....	1.84	1.82	1.84
376	.09		20	1.82	1.84	1.82	1.84	1.84	1.82	1.91	1.84	1.84	Out of market	1.84	1.82	1.84
	.09		22	1.82	1.82	1.82	1.82	1.84	1.82	1.91	1.82	1.84	.....	1.84	1.82	1.82
	.09		23	1.82	1.82	1.82	1.82	1.84	1.82	1.91	1.82	1.84	1.82	1.84	1.82	1.82
	.09		24	1.82	1.82	1.82	1.82	1.82	1.82	1.91	1.82	1.84	1.82	1.84	1.82	1.82
	.19		25	1.72	1.82	1.72	1.72	1.72	1.82	1.91	1.72	1.84	1.82	1.84	1.72	1.82
	.21		26	1.70	1.72	1.70	1.70	1.72	1.70	1.91	1.70	1.84	1.82	1.72	1.70	1.70
	.21		27	1.70	1.70	1.70	1.70	1.72	1.70	1.91	1.70	1.84	1.82	1.72	1.70	1.70
	.28		29	1.70	1.70	1.70	1.63	1.72	1.70	1.91	1.70	1.70	1.82	1.72	1.70	1.70
	.09		30	1.63	1.63	1.63	1.63	1.72	1.63	1.63	1.70	1.70	1.70	1.72	1.63	1.66
	.09	Oct.	1	1.63	1.63	1.63	1.63	1.72	1.63	1.63	1.63	1.70	1.63	1.72	1.63	1.66
	.09		2	1.63	1.63	1.63	1.63	1.72	1.63	1.63	1.63	1.63	1.63	1.72	1.63	1.63
	.03		3	1.63	1.63	1.63	1.63	1.60	1.63	1.63	1.63	1.63	1.63	1.63	1.63	1.63
	.03		4	1.63	1.60	1.63	1.60	1.60	1.60	1.63	1.63	1.63	1.63	1.63	1.63	1.63
	.12		6	1.70	1.60	1.60	1.60	1.60	1.60	1.63	1.58	1.63	1.63	1.63	1.60	1.60
	.12		7	1.70	1.60	1.70	1.70	1.70	1.70	1.60	1.58	1.60	1.63	1.63	1.60	1.60
	.10		8	1.70	1.70	1.70	1.70	1.70	1.70	1.60	1.70	1.70	1.70	1.60	1.70	1.70
	.10		9	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.60	1.70	1.70
			15	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70

Future quotation record—Continued.

OIL FOR DECEMBER DELIVERY (1919).

[Spot quotation range—Dec. spot range: Low, 1.75; high, 1.85.]

Competitive gal. spread.	Date of quotation.	1	2	3	4	5	6	7	8	9	10	11	12	14
	Apr. 23	1.53	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	25	1.53	.....	.....	.....	.....	.....	.....	1.53	.....	.....	.....	.....	.....
$0.02	May 2	1.53	.....	.....	.....	.....	.....	.....	1.53	.....	.....	.....	1.51	.....
.02	3	1.53	.....	1.51	.....	.....	.....	.....	1.53	.....	.....	.....	1.51	.....
.02	5	1.53	.....	1.51	.....	.....	.....	.....	1.53	1.51	.....	.....	1.51	.....
.02	6	1.53	.....	1.51	.....	.....	.....	1.51	1.53	1.51	.....	.....	1.51	.....
.02	7	1.51	.....	1.51	.....	.....	.....	1.51	1.53	1.51	.....	.....	1.51	.....
	8	1.51	.....	1.51	.....	.....	.....	1.51	1.51	1.51	.....	1.51	1.51	.....
.02	14	1.53	.....	1.51	.....	.....	.....	1.51	1.51	1.51	.....	1.51	1.51	.....
.02	15	1.53	.....	1.51	.....	.....	1.53	1.51	1.51	1.51	.....	1.51	1.51	.....
.02	17	1.53	.....	1.51	.....	1.51	1.53	1.51	1.51	1.51	1.51	1.51	1.51	.....
.02	20	1.53	.....	1.51	.....	1.51	1.51	1.51	1.53	1.51	1.51	1.51	1.51	.....
.05	27	1.53	.....	1.56	1.56	1.56	1.51	1.51	1.53	1.56	1.51	1.51	1.51	.....
.03	28	1.56	.....	1.56	1.56	1.56	1.56	1.56	1.53	1.56	1.56	1.56	1.56	.....
	29	1.56	.....	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	.....
.09	June 3	1.65	.....	1.60	1.65	1.56	1.60	1.60	1.56	1.60	1.64	1.56	1.63	.....
.19	4	1.75	.....	1.60	1.65	1.60	1.60	1.60	1.65	1.60	1.68	1.56	1.68	.....
.19	5	1.75	.....	1.63	1.65	1.60	1.63	1.60	1.65	1.60	1.68	1.56	1.60	.....
.15	6	1.75	.....	1.63	1.65	1.63	1.63	1.63	1.65	1.63	1.68	1.63	1.60	.....
.15	7	1.75	.....	1.63	1.60	1.63	1.63	1.63	1.65	1.63	1.68	1.63	1.60	.....
.15	10	1.75	.....	1.63	1.60	1.63	1.63	1.63	1.65	1.63	1.68	1.63	1.60	1.60
.26	12	1.86	.....	1.73	1.60	1.63	1.73	1.63	Out of market	1.63	Out of market	1.63	1.70	1.70
.23	13	1.86	.....	1.73	1.70	1.63	1.73	1.73	.....	1.73	.....	1.74	1.70	1.70
.16	14	1.86	.....	1.70	1.70	1.73	1.73	1.73	.....	1.73	.....	1.74	1.70	1.70
.16	16	1.86	.....	1.70	1.70	1.73	1.70	1.70	.....	1.73	.....	1.74	1.70	1.70
.16	17	1.86	.....	1.70	1.70	1.70	1.70	1.70	.....	1.73	.....	1.74	1.70	1.70
.16	18	1.86	.....	1.70	1.70	1.70	1.70	1.70	.....	1.70	.....	1.74	1.70	1.70
.23	28	1.93	.....	1.70	1.70	1.70	1.70	1.70	.....	1.70	.....	1.74	1.70	1.70

	.23		30	1.93	.....	1.83	1.70	1.83	1.83	1.70	.....	1.70	.....	1.74	1.75	1.93
378	.23	July	1	1.93	.....	1.83	1.70	1.83	1.83	1.83	Out of market	1.70	Out of market	1.74	1.80	1.93
	.23		2	1.93	.....	1.83	1.83	1.83	1.83	1.83	.....	1.70	.....	1.74	1.83 *(1.80)	1.93
	.40		7	2.10	.....	2.00	1.83	1.83	1.93	1.83	.....	1.70	.....	1.74	1.86 *(1.83) 1.93 *(1.90)	1.93
	.36		8	2.10	2.00	2.00	2.00	2.00	1.93	2.00	.....	2.00	.....	1.74	(1.93)	2.00 2.10
	.17		9	2.10	2.00	2.00	2.00	2.00	1.93	2.00	.....	2.00	.....	2.00	*(1.93)	2.10
	.17		10	2.10	Out of market	2.00	2.00	2.00	1.93	2.00	.....	2.00	.....	2.00	*(1.93)	2.10
	.27		11	2.15	.....	2.20	2.20	2.10	1.93	2.00	.....	2.00	.....	2.00	*(2.00)	2.10
	.27		12	2.15	.....	2.20	2.20	2.10	1.93	2.00	.....	2.00	.....	2.00	*(2.00)	2.15
	.32		14	2.15	.....	2.00	2.20	2.10	1.93	Out of market	.....	2.15	.....	2.00	*(2.00)	2.25
	.22		15	2.15	.....	2.00	2.00	2.10	1.93	.....	.....	2.15	.....	Out of market	2.00	2.15
	.22		16	2.15	.....	2.00	2.00	2.10	1.93	.....	.....	2.15	.....	.....	1.93	2.00
	.22		21	2.15	.....	2.00	2.00	2.10	1.93	.....	2.13	2.15	.....	.....	1.93	2.00
	.22		22	2.15	.....	2.00	2.00	2.10	1.93	.....	2.13	2.15	.....	.....	2.00	2.00
	.15		23	2.15	.....	2.00	2.00	2.10	2.00	.....	2.13	2.15	.....	.....	2.00	2.00
	.15		24	2.15	.....	2.15	2.00	2.10	2.00	.....	2.13	2.15	.....	.....	2.00	2.00
	.20		25	2.20	.....	2.15	2.15	2.00	2.00	.....	2.13	2.15	.....	.....	2.10	2.00
	.20		26	2.20	.....	2.15	2.15	2.00	2.10	.....	2.13	2.20	.....	.....	2.10	2.00
	.20		28	2.20	.....	2.15	2.15	2.00	2.10	.....	2.13	2.20	.....	2.10	2.10	2.00
	.20		30	2.20	.....	2.15	2.15	2.00	2.10	.....	2.13	2.20	.....	2.10	2.10	2.15
	.10		31	2.20	.....	2.15	2.15	2.15	2.10	.....	2.13	2.20	.....	2.10	2.10	2.15
	.10	Aug.	4	2.20	.....	2.10	2.10	2.15	2.10	.....	2.10	2.20	.....	2.10	2.10	2.15
	.10		5	2.20	.....	2.10	2.10	2.15	2.10	.....	2.10	2.20	.....	2.10	2.10	2.10
379	.10		7	2.20	Out of market	2.10	2.10	2.10	2.10	Out of market	2.10	2.20	Out of market	2.10	2.00	2.10
	.20		20	2.20	2.00	2.00	2.10	2.10	2.10	.....	2.10	2.20	.....	2.10	2.00	2.10
	.20		21	2.20	2.00	2.00	2.10	2.10	2.00	.....	2.10	2.20	.....	2.10	2.00	2.10
	.22		22	2.00	2.00	2.00	2.10	2.10	2.00	.....	2.00 1.98	2.20	.....	2.10	2.00	1.99

* Equal monthly quantities.

Future quotation record—Continued.

OIL FOR DECEMBER DELIVERY (1919)—Continued.

[Spot quotation range—Dec. spot range: Low, 1.75; high, 1.85.]

Competitive gal. spread.	Date of quotation.	1	2	3	4	5	6	7	8	9	10	11	12	14
$0.22	Aug. 23	2.00	2.00	2.00	2.10	2.00	2.00	.....	1.98	2.20	.....	2.10	2.00	1.99
.28	27	2.00	2.00	2.00	2.00	2.00	2.00	.....	1.98	2.20	.....	2.10	1.93	1.92
.19	28	1.93	1.93	1.93	2.00	1.93	2.00	1.93	1.91	1.93	.....	2.10	1.93	1.92
.19	29	1.93	1.93	1.93	2.00	1.93	1.93	1.93	1.91	1.93	.....	2.10	1.93	1.92
.19	30	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.91	1.93	.....	2.10	1.93	1.92
.02	Sept. 2	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.91	1.93	.....	1.93	1.93	1.92
.02	8	1.91	1.93	1.93	1.93	1.93	1.93	1.93	1.91	1.93	.....	1.93	1.93	1.92
.02	9	1.91	1.93	1.91	1.91	1.93	1.93	1.93	1.91	1.93	.....	1.93	1.91	1.92
.02	10	1.91	1.93	1.91	1.91	1.93	1.91	1.93	1.91	1.93	.....	1.93	1.91	1.91
.02	11	1.91	1.93	1.91	1.91	1.93	1.91	1.91	1.91	1.93	.....	1.93	1.91	1.91
.04	13	1.91	1.93	1.89	1.89	1.91	1.91	1.91	1.91	1.93	.....	1.93	1.89	1.91
.06	15	1.89	1.93	1.87	1.89	1.87	1.87	1.91	1.89	1.93	.....	1.93	1.89	1.88
.09	16	1.87	1.87	1.84	1.87	1.87	1.84	1.91	1.87	1.87	.....	1.93	1.87	1.88
.07	17	1.84	1.87	1.84	1.84	1.84	1.84	1.91	1.84	1.87	.....	1.89	1.84	1.88
.07	18	1.84	1.87	1.84	1.84	1.84	1.84	1.91	1.84	1.84	.....	1.89	1.84	1.84
.09	19	1.84	1.84	1.84	1.84	1.84	1.84	1.91	1.84	1.84	.....	1.84	1.82	1.84
.09	20	1.82	1.84	1.82	1.84	1.84	1.82	1.91	1.84	1.84	.....	1.84	1.82	1.84
.09	22	1.82	1.82	1.82	1.82	1.84	1.82	1.91	1.82	1.84	.....	1.84	1.82	1.82
.09	23	1.82	1.82	1.82	1.82	1.84	1.82	1.91	1.82	1.84	1.82	1.84	1.82	1.82
.09	24	1.82	1.82	1.82	1.82	1.82	1.82	1.91	1.82	1.84	1.82	1.84	1.82	1.82
.19	25	1.72	1.82	1.72	1.72	1.72	1.82	1.91	1.72	1.84	1.82	1.84	1.72	1.82
.21	26	1.70	1.72	1.70	1.70	1.72	1.70	1.91	1.70	1.84	1.82	1.72	1.70	1.70
.21	27	1.70	1.70	1.70	1.70	1.72	1.70	1.91	1.70	1.84	1.82	1.72	1.70	1.70
.28	29	1.70	1.70	1.70	1.63	1.72	1.70	1.91	1.70	1.70	1.82	1.72	1.70	1.70
.09	30	1.63	1.63	1.63	1.63	1.72	1.63	1.63	1.70	1.70	1.70	1.72	1.63	1.66
380 .12	Oct. 1	1.60	1.60	1.60	1.60	1.72	1.60	1.63	1.60	1.70	1.60	1.72	1.60	1.66
.17	2	1.60	1.60	1.55	1.60	1.72	1.55	1.60	1.60	1.60	1.60	1.72	1.55	1.60
.11	3	1.55	1.55	1.49	1.55	1.49	1.49	{ 1.55 1.49	1.55 1.50 }	1.55	1.50	1.55	1.50	1.60
.11	4	{ 1.50 1.49 }	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.50	1.55	1.49	1.60

| | | |

Future quotation record—Continued.

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OIL FOR JANUARY DELIVERY (1920).

[Spot quotation range—Jan. spot, 1.75.]

Competitive gal. spread.	Date of quotation.	1	2	3	4	5	6	7	8	9	10	11	12	14
	June 5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1.60	.....
	10	.....	.....	.....	1.60	.....	.....	.....	.....	.....	.....	.....	1.60	1.60
$0.16	12	1.86	.....	.....	.....	.....	1.73	.....	.....	.....	.....	.....	1.70	1.70
.16	13	1.86	.....	.....	1.70	.....	1.73	1.73	.....	1.73	.....	1.74	1.70	1.70
.16	14	1.86	.....	1.70	.....	1.73	1.73	1.73	.....	1.73	.....	1.74	1.70	1.70
.16	16	1.86	.....	1.70	1.70	1.73	1.70	1.70	.....	1.73	.....	1.74	1.70	1.70
.16	17	1.86	.....	1.70	1.70	1.70	1.70	1.70	.....	1.73	.....	1.74	1.70	1.70
.16	18	1.86	.....	1.70	1.70	1.70	1.70	1.70	.....	1.70	.....	1.74	1.70	1.70
.16	27	1.86	.....	1.70	1.70	1.70	1.70	1.70	.....	1.70	.....	1.74	1.70	Out of market
.23	28	1.93	.....	1.70	1.70	1.70	1.70	1.70	.....	1.70	.....	1.74	1.70	.....
.23	30	1.93	.....	1.83	1.70	1.83	1.83	1.70	.....	1.70	.....	1.74	1.75	.....
.23	July 1	1.93	.....	1.83	1.70	1.83	1.83	1.83	.....	1.70	.....	1.74	1.80	.....
.23	2	1.93	.....	1.83	1.83	1.83	1.83	1.83	.....	1.70	.....	1.74	1.83 *(1.80)	.....
.40	7	2.10	.....	2.00	1.83	1.83	1.93	1.83	.....	1.70	.....	1.74	1.86 *(1.83) 1.93 *(1.90)	.....
.36	8	2.10	2.00	2.00	2.00	2.00	1.93	2.00	.....	2.00	.....	1.74	*(1.93)	.....
.17	9	2.10	2.00	2.00	2.00	2.00	1.93	2.00	.....	2.00	.....	2.00	*(1.93)	.....
.17	10	2.10	Out of market	2.00	2.00	2.00	1.93	2.00	.....	2.00	.....	2.00	*(1.93)	.....
.27	11	2.15	.....	2.20	2.20	2.10	1.93	2.00	.....	2.00	.....	2.00	*(2.00)	.....
.27	14	2.15	.....	2.00	2.20	2.10	1.93	Out of market	.....	2.15	.....	2.00	*(2.00)	.....
.22	15	2.15	.....	2.00	2.00	2.10	1.93	.....	.....	2.15	.....	2.00	2.00	.....
.22	16	2.15	.....	2.00	2.00	2.10	1.93	.....	.....	2.15	.....	Out of market	1.93	.....

	.22		21	2.15	.....	2.00	2.00	2.10	1.93	.....	2.13	2.15	.....	.....	1.93	.....
	.22		22	2.15	.....	2.00	2.00	2.10	1.93	.....	2.13	2.15	.....	.....	*(1.93)	.....
	.22		23	2.15	.....	1.93	2.00	2.10	1.93	.....	2.13	2.15	.....	.....	*(1.93)	.....
	.22		24	2.15	.....	*(1.93)	2.00	2.10	1.93	.....	2.13	2.15	.....	.....	1.93	.....
382	.27		25	2.20	Out of market	*(1.93)	2.00	1.93	1.93	Out of market	2.13	2.15	.....	Out of market	1.93	Out of market
	.27		26	2.20	.....	*(1.93)	2.00	1.93	1.93	.....	2.13	2.20	.....	.....	1.93	.....
	.27	Aug.	1	2.20	.....	*(1.93)	2.00	1.93	1.93	.....	2.13	2.20	.....	.....	1.93	.....
	.27		4	2.20	.....	1.93	1.93	1.93	1.93	.....	2.13	2.20	.....	.....	1.93	.....
	.27		5	2.20	.....	1.93	1.93	1.93	1.93	.....	2.13	2.20	.....	.....	1.93	1.93
	.27		20	2.20	1.93	1.93	1.93	1.93	1.93	.....	2.13	2.20	.....	.....	1.93	1.93
	.29		22	1.93	1.93	1.93	1.93	1.93	1.93	.....	1.93 1.91	2.20	.....	.....	1.93	1.92
	.02		28	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.91	1.93	.....	.....	1.93	1.92
	.02	Sept.	2	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.91	1.93	.....	1.93	1.93	1.92
	.02		8	1.91	1.93	1.93	1.93	1.93	1.93	1.93	1.91	1.93	.....	1.93	1.93	1.92
	.02		9	1.91	1.93	1.91	1.91	1.93	1.93	1.93	1.91	1.93	.....	1.93	1.91	1.92
	.02		10	1.91	1.93	1.91	1.91	1.93	1.91	1.93	1.91	1.93	.....	1.93	1.91	1.91
	.02		11	1.91	1.93	1.91	1.91	1.93	1.91	1.91	1.91	1.93	.....	1.93	1.91	1.91
	.04		13	1.91	1.93	1.89	1.89	1.91	1.91	1.91	1.91	1.93	.....	1.93	1.89	1.91
	.06		15	1.89	1.93	1.87	1.89	1.87	1.87	1.91	1.89	1.93	.....	1.93	1.89	1.88
	.09		16	1.87	1.87	1.84	1.87	1.87	1.84	1.91	1.87	1.87	.....	1.93	1.87	1.88
	.07		17	1.84	1.87	1.84	1.84	1.84	1.84	1.91	1.84	1.87	.....	1.89	1.84	1.88
	.09		18	1.82	1.87	1.82	1.82	1.84	1.84	1.91	1.84	1.84	.....	1.89	1.84	1.84
	.09		19	1.82	1.82	1.82	1.82	1.84	1.84	1.91	1.84	1.84	.....	1.84	1.82	1.82
	.09		20	1.82	1.82	1.82	1.82	1.84	1.82	1.91	1.84	1.84	.....	1.84	1.82	1.82
	.09		22	1.82	1.82	1.82	1.82	1.84	1.82	1.91	1.82	1.84	.....	1.84	1.82	1.82
	.09		23	1.82	1.82	1.82	1.82	1.84	1.82	1.91	1.82	1.84	1.82	1.84	1.82	1.82
	.09		24	1.82	1.82	1.82	1.82	1.82	1.82	1.91	1.82	1.84	1.82	1.84	1.82	1.82
	.19		25	1.72	1.82	1.72	1.72	1.72	1.82	1.91	1.72	1.84	1.82	1.84	1.72	1.82
	.21		26	1.70	1.72	1.70	1.70	1.72	1.70	1.91	1.70	1.84	1.82	1.72	1.70	1.70
	.21		27	1.70	1.70	1.70	1.70	1.72	1.70	1.91	1.70	1.84	1.82	1.72	1.70	1.70
	.28		29	1.70	1.70	1.70	1.63	1.72	1.70	1.91	1.70	1.70	1.82	1.72	1.70	1.70
	.09		30	1.63	1.63	1.63	1.63	1.72	1.63	1.63	1.70	1.70	1.70	1.72	1.63	1.63
383	.12	Oct.	1	1.60	1.60	1.60	1.60	1.72	1.60	1.63	1.60	1.70	1.60	1.72	1.60	1.63
	.17		2	1.60	1.60	1.55	1.60	1.72	1.55	1.60	1.60	1.60	1.60	1.72	1.55	1.60
	.11		3	1.55	1.55	1.49	1.55	1.49	1.49	1.55 1.49	1.55 1.50	1.55	1.50	1.55	1.50	0.61

* Equal monthly quantities.

Future quotation record—Continued.

OIL FOR JANUARY DELIVERY (1920)—Continued.

[Spot quotation range—Jan. spot, 1.75]

	Competitive gal. spread.	Date of quotation.	1	2	3	4	5	6	7	8	9	10	11	12	14
	$0.11	Oct. 4	1.50 1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.50	1.55	1.49	1.60
	.07	6	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.48,	1.49	1.50	1.55	1.49	1.49
	.12	7	1.49	1.49	1.49	1.60	1.49	1.49	1.49	1.48	1.49	1.50	1.55	1.49	1.49
	.12	8	1.55 1.60	1.59	1.60 1.55	1.60	1.60	1.59	1.49	1.48	1.59	1.60	1.49	1.60 1.59	1.60
	.11	9	1.59	1.55	1.59	1.59	1.55	1.59	1.59	1.59	1.59	1.60	1.49	1.59	1.60
	.11	10	1.59	1.55	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.60	1.49	1.59	1.60
	.10	13	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.49	1.59	1.59
	.04	15	1.59	1.59	1.59	1.59	1.55	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59
	.09	22	1.59	1.59	1.50	1.59	1.55	1.50	1.59	1.59	1.59	1.59	1.59	1.59	1.59
	.09	23	1.50	1.59	1.50	1.59	1.50	1.50	1.59	1.50	1.59	1.59	1.59	1.59	1.59
	.09	24	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.59	1.50	1.59
	.09	Nov. 4	1.50	1.55	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.59	1.50	1.59
	.09	6	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.59	1.50	1.50
	.10	7	Out of market	1.60	1.60	1.50	1.50	1.60	1.50	1.50	1.60	1.50	1.59	1.60	1.55 1.60
	.10	8	.....	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
		12	.....	1.60	1.70	1.60	1.60	1.70	1.60	1.60	1.70	1.60	1.60	1.60	1.60
	.10	13	1.70	1.70	1.70	1.70	1.70	1.70	1.60	1.70	1.70	1.70	1.70	1.70	1.70
		14	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
	.05	22	1.70	1.70	1.75	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
	.05	24	1.75	1.75	1.75	1.70	1.75	1.75	1.70	1.75	1.75	1.75	1.75	1.75	1.70
	.05	25	1.75	1.75	1.75	1.70	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.70
	.05	26	1.75	1.75	1.75	1.70	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
		28	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
	.10	29	1.75	1.75	1.85	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
384	.10	Dec. 2	1.85	1.75	1.85	1.75	1.75	1.75	1.75	1.75	1.75	1.85	1.75	1.75	1.75
	.10	3	1.85	1.75	1.85	1.85	1.75	1.75	1.75	1.75	1.75	1.85	1.75	1.75	1.75
	.10	4	1.85	1.85	1.85	1.85	1.75	1.75	1.85	1.75	1.85	1.85	1.75	1.75	1.75

.10	10	1.85	1.75	1.75	1.85	1.75	1.75	1.85	1.75	1.85	1.85	1.75	1.75	1.75
.10	12	1.75	1.75	1.75	1.85	1.75	1.75	1.85	1.75	1.85	1.85	1.75	1.75	1.75
.10	16	1.75	1.75	1.75	1.75	1.75	1.75	1.85	1.75	1.85	1.85	1.75	1.75	1.75
.10	17	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.85	1.85	1.75	1.75	1.75
	18	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
	22	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

OIL FOR FEBRUARY DELIVERY (1920).

[Spot quotation range—February spot, 1.75.]

	June 5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1.60	.....
	10	.....	.....	.....	1.60	.....	.....	.....	.....	.....	.....	.....	1.60	1.60
$0.26	12	1.86	.....	.....	1.60	.....	1.73	.....	.....	.....	.....	.....	1.70	1.70
.16	13	1.86	.....	.....	1.70	.....	1.73	1.73	.....	1.73	.....	1.74	1.70	1.70
.16	14	1.86	.....	1.70	1.70	1.73	1.73	1.73	.....	1.73	.....	1.74	1.70	1.70
.16	16	1.86	.....	1.70	1.70	1.73	1.70	1.70	.....	1.73	.....	1.74	1.70	1.70
.16	17	1.86	.....	1.70	1.70	1.70	1.70	1.70	.....	1.73	.....	1.74	1.70	1.70
.16	18	1.86	.....	1.70	1.70	1.70	1.70	1.70	.....	1.70	.....	1.74	1.70	1.70
.16	27	1.86	.....	1.70	1.70	1.70	1.70	1.70	.....	1.70	.....	1.74	1.70	Out of market
.23	28	1.93	.....	1.70	1.70	1.70	1.70	1.70	.....	1.70	.....	1.74	1.70	.....
.23	30	1.93	.....	1.83	1.70	1.83	1.83	1.70	.....	1.70	.....	1.74	1.75	.....
.23	July 1	1.93	.....	1.83	1.70	1.83	1.83	1.83	.....	1.70	.....	1.74	1.80	.....
.23	2	1.93	.....	1.83	1.83	1.83	1.83	1.83	.....	1.70	.....	1.74	1.83	.....
.40	7	2.10	.....	2.00	1.83	1.83	1.93	1.83	.....	1.70	.....	1.74	*(1.80)	.....
													1.86	.....
													*(1.83)	.....
													1.93	.....
.36	8	2.10	2.00	2.00	2.00	2.00	1.93	2.00	.....	2.00	.....	1.74	*(1.90)	.....
.17	9	2.10	2.00	2.00	2.00	2.00	1.93	2.00	.....	2.00	.....	2.00	*(1.93)	.....
.17	10	2.10	Out of market	2.00	2.00	2.00	1.93	2.00	.....	2.00	.....	2.00	*(1.93)	.....
.27	11	2.15	.....	2.20	2.20	2.10	1.93	2.00	.....	2.00	.....	2.00	*(2.00)	.....
.27	14	2.15	.....	2.00	2.20	2.10	1.93	Out of market	.....	2.15	.....	2.00	*(2.00)	.....

* Equal monthly quantities.

Future quotation record—Continued.

OIL FOR FEBRUARY DELIVERY (1920)—Continued.

[Spot quotation range—February spot, 1.75.]

Competitive gal. spread.	Date of quotation.	1	2	3	4	5	6	7	8	9	10	11	12	14
$0.22	July 15	2.15	.....	2.00	2.00	2.10	1.93	.....	.....	2.15	.....	Out of market	2.00	.....
.22	16	2.15	.....	2.00	2.00	2.10	1.93	.....	.....	2.15	.....	.....	1.93	.....
.22	22	2.15	.....	2.00	2.00	2.10	1.93	.....	.....	2.15	.....	.....	*(1.93)	.....
.22	23	2.15	.....	1.93	2.00	2.10	1.93	.....	.....	2.15	.....	.....	*(1.93)	.....
386 .22	24	2.15	Out of market	*(1.93)	2.00	2.10	1.93	Out of market	.....	2.15	.....	Out of market	1.93	Out of market
.27	25	2.20	.....	*(1.93)	2.00	1.93	1.93	.....	.....	2.15	.....	.....	1.93	.....
.27	26	2.20	.....	*(1.93)	2.00	1.93	1.93	.....	.....	2.20	.....	.....	1.93	.....
.27	Aug. 4	2.20	.....	1.93	1.93	1.93	1.93	.....	.....	2.20	.....	.....	1.93	.....
.27	5	2.20	.....	1.93	1.93	1.93	1.93	.....	.....	2.20	.....	.....	1.93	1.93
.27	20	2.20	1.93	1.93	1.93	1.93	1.93	.....	.....	2.20	.....	.....	1.93	1.93
.29	22	1.93	1.93	1.93	1.93	1.93	1.93	.....	1.93 / 1.91	2.20	.....	.....	1.93	1.92
.02	28	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.91	1.93	.....	.....	1.92	1.92
.02	Sept. 2	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.91	1.93	.....	1.93	1.93	1.92
.02	8	1.91	1.93	1.93	1.93	1.93	1.93	1.93	1.91	1.93	.....	1.93	1.93	1.92
.02	9	1.91	1.93	1.91	1.91	1.93	1.93	1.93	1.91	1.93	.....	1.93	1.91	1.92
.02	10	1.91	1.93	1.91	1.91	1.93	1.91	1.93	1.91	1.93	.....	1.93	1.91	1.91
.02	11	1.91	1.93	1.91	1.91	1.93	1.91	1.91	1.91	1.93	.....	1.93	1.91	1.91
.04	13	1.91	1.93	1.89	1.89	1.91	1.91	1.91	1.91	1.93	.....	1.93	1.89	1.91
.06	15	1.89	1.93	1.87	1.89	1.87	1.87	1.91	1.89	1.93	.....	1.93	1.89	1.88
.09	16	1.87	1.87	1.84	1.87	1.87	1.84	1.91	1.87	1.87	.....	1.93	1.87	1.88
.07	17	1.84	1.87	1.84	1.84	1.84	1.84	1.91	1.84	1.87	.....	1.89	1.84	1.88
.09	18	1.82	1.87	1.82	1.82	1.84	1.84	1.91	1.84	1.84	.....	1.89	1.84	1.84
.09	19	1.82	1.82	1.82	1.82	1.84	1.84	1.91	1.84	1.84	.....	1.84	1.82	1.82
.09	20	1.82	1.82	1.82	1.82	1.84	1.82	1.91	1.84	1.84	.....	1.84	1.82	1.82
.09	22	1.82	1.82	1.82	1.82	1.84	1.82	1.91	1.82	1.84	.....	1.84	1.82	1.82
.09	23	1.82	1.82	1.82	1.82	1.84	1.82	1.91	1.82	1.84	1.82	1.84	1.82	1.82
.09	24	1.82	1.82	1.82	1.82	1.82	1.82	1.91	1.82	1.84	1.82	1.84	1.82	1.82

	.19		25	1.72	1.82	1.72	1.72	1.72	1.82	1.91	1.72	1.84	1.82	1.84	1.72	1.82
	.21		26	1.70	1.72	1.70	1.70	1.72	1.70	1.91	1.70	1.84	1.82	1.72	1.70	1.70
	.21		27	1.70	1.70	1.70	1.70	1.72	1.70	1.91	1.70	1.84	1.82	1.72	1.70	1.70
	.28		29	1.70	1.70	1.70	1.63	1.72	1.70	1.91	1.70	1.70	1.82	1.72	1.70	1.70
	.09		30	1.63	1.63	1.63	1.63	1.72	1.63	1.63	1.70	1.70	1.70	1.72	1.63	1.63
387	.12	Oct.	1	1.60	1.60	1.60	1.60	1.72	1.60	1.63	1.60	1.70	1.60	1.72	1.60	1.63
	.17		2	1.60	1.60	1.55	1.60	1.72	1.55	1.60	1.60	1.60	1.60	1.72	1.55	1.60
	.11		3	1.55	1.55	1.49	1.55	1.49	1.49	{ 1.55 1.49	{ 1.55 1.50 }	1.55	1.50	1.55	1.50	1.60
	.11		4	{ 1.50 1.49 }	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.50	1.55	1.49	1.60
	.07		6	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.48	1.49	1.50	1.55	1.49	1.49
	.12		7	1.49	1.49	1.49	1.60	1.49	1.49	1.49	1.48	1.49	1.50	1.55	1.49	1.49
	.12		8	{ 1.55 1.60 }	1.59	{ 1.60 1.55 }	1.60	1.60	1.59	1.49	1.48	1.59	1.60	1.49	{ 1.60 1.59 }	1.60
	.11		9	1.59	1.55	1.59	1.59	1.55	1.59	1.59	1.59	1.59	1.60	1.49	1.59	1.60
	.11		10	1.59	1.55	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.60	1.49	1.59	1.60
	.10		13	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.49	1.59	1.59
			15	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59
	.09		22	1.59	1.59	1.50	1.59	1.50	1.50	1.59	1.59	1.59	1.59	1.59	1.50	1.59
	.09		23	1.50	1.50	1.50	1.50	1.50	1.50	1.59	1.50	1.59	1.59	1.50	1.50	1.50
			24	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	.05	Nov.	4	1.50	1.55	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
			6	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	.10		7	{ Out of market }	1.60	1.60	1.50	1.50	1.60	1.50	1.50	1.60	1.50	1.50	1.60	{ 1.55
			8	.....	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
	.10		12	.....	1.60	1.70	1.60	1.60	1.70	1.60	1.60	1.70	1.60	1.60	1.60	1.60
	.10		13	1.70	1.70	1.70	1.70	1.70	1.70	1.60	1.70	1.70	1.60	1.60	1.60	1.60
			14	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
	.05		22	1.70	1.70	1.75	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
	.05		24	1.75	1.75	1.75	1.70	1.75	1.75	1.70	1.75	1.75	1.75	1.75	1.75	1.70
	.05		25	1.75	1.75	1.75	1.70	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.70
	.05		26	1.75	1.75	1.75	1.70	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
			28	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
388	.10		29	1.75	1.75	1.85	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
	.10	Dec.	2	1.85	1.75	1.85	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
	.10		3	1.85	1.75	1.85	1.85	1.75	1.75	1.75	1.75	1.75	1.85	1.75	1.75	1.75

*Equal monthly quantities.

Future quotation record—Continued.

OIL FOR FEBRUARY DELIVERY (1920)—Continued.

[Spot quotation range—February spot, 1.75.]

Competitive gal. spread.	Date of quotation.	1	2	3	4	5	6	7	8	9	10	11	12	14
$0.10	Dec. 4	1.85	1.85	1.85	1.85	1.75	1.75	1.85	1.75	1.85	1.85	1.75	1.75	1.75
.10	10	1.85	1.75	1.85	1.85	1.75	1.75	1.85	1.75	1.85	1.85	1.85	1.75	1.75
.10	12	1.75	1.75	1.85	1.85	1.75	1.75	1.85	1.75	1.85	1.85	1.85	1.75	1.75
.10	16	1.75	1.75	1.75	1.75	1.75	1.75	1.85	1.75	1.85	1.85	1.85	1.75	1.75
.10	17	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.85	1.85	1.85	1.75	1.75
.10	18	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.85	1.75	1.75
	22	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
	Jan.	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

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OIL FOR MARCH DELIVERY (1920).

[Spot quotation range—March spot range: Low, 1.72; high, 1.82.]

	June 5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1.60	.....
	10	.....	.....	.....	1.60	.....	.....	.....	.....	.....	.....	.....	1.60	1.60
$0.26	12	1.86	.....	.....	1.60	.....	1.73	.....	.....	.....	.....	.....	1.70	1.70
.16	13	1.86	.....	.....	1.70	.....	1.73	1.73	.....	1.73	.....	1.74	1.70	1.70
.16	14	1.86	.....	1.70	1.70	1.73	1.73	1.73	.....	1.73	.....	1.74	1.70	1.70
.16	16	1.86	.....	1.70	1.70	1.73	1.70	1.70	.....	1.73	.....	1.74	1.70	1.70
.16	17	1.86	.....	1.70	1.70	1.70	1.70	1.70	.....	1.73	.....	1.74	1.70	1.70
.16	18	1.86	.....	1.70	1.70	1.70	1.70	1.70	.....	1.70	.....	1.74	1.70	1.70
.16	27	1.86	.....	1.70	1.70	1.70	1.70	1.70	.....	1.70	.....	1.74	1.70	Out of market
.23	28	1.93	.....	1.70	1.70	1.70	1.70	1.70	.....	1.70	.....	1.74	1.70	.....
.23	30	1.93	.....	1.83	1.70	1.83	1.83	1.70	.....	1.70	.....	1.74	1.75	.....
.23	July 1	1.93	.....	1.83	1.70	1.83	1.83	1.83	.....	1.70	.....	1.74	1.80	.....
.23	2	1.93	.....	1.83	1.83	1.83	1.83	1.83	.....	1.70	.....	1.74	1.83	.....
													*(1.80)	.....

	.40		7	2.10	.....	2.00	1.83	1.83	1.93	1.83	.....	1.70	.....	1.74	1.86	.....
															*(1.83)	.....
															1.93	.....
	.36		8	2.10	2.00	2.00	2.00	2.00	1.93	2.00	.....	2.00	.....	1.74	*(1.90)	.....
	.17		9	2.10	2.00	2.00	2.00	2.00	1.93	2.00	.....	2.00	.....	2.00	*(1.93)	.....
	.17		10	2.10	Out of market	2.00	2.00	2.00	1.93	2.00	.....	2.00	.....	2.00	*(1.93)	.....
	.27		11	2.15	.....	2.20	2.20	2.10	1.93	2.00	.....	2.00	.....	2.00	*(2.00)	.....
	.27		14	2.15	.....	2.00	2.20	2.10	1.93	Out of market	.....	2.15	.....	2.00	*(2.00)	.....
	.22		15	2.15	.....	2.00	2.00	2.10	1.93	.....	.....	2.15	.....	Out of market	2.00	.....
	.22		16	2.15	.....	2.00	2.00	2.10	1.93	.....	.....	2.15	.....	.....	1.93	.....
	.22		22	2.15	.....	2.00	2.00	2.10	1.93	.....	.....	2.15	.....	.....	*(1.93)	.....
	.22		23	2.15	.....	1.93	2.00	2.10	1.93	.....	.....	2.15	.....	.....	*(1.93)	.....
390	.22		24	2.15	Out of market	*(1.93)	2.00	2.10	1.93	Out of market	.....	2.15	.....	Out of market	1.93	Out of market
	.27		25	2.20	.....	*(1.93)	2.00	1.93	1.93	.....	.....	2.15	.....	.....	1.93	.....
	.27		26	2.20	.....	*(1.93)	2.00	1.93	1.93	.....	.....	2.20	.....	.....	1.93	.....
	.27	Aug.	4	2.20	.....	1.93	1.93	1.93	1.93	.....	.....	2.20	.....	.....	1.93	.....
	.27		5	2.20	.....	1.93	1.93	1.93	1.93	.....	.....	2.20	.....	.....	1.93	1.93
	.27		20	2.20	1.93	1.93	1.93	1.93	1.93	.....	.....	2.20	.....	.....	1.93	1.93
	.29		22	1.93	1.93	1.93	1.93	1.93	1.93	.....	{ 1.93 / 1.91 }	2.20	.....	.....	1.93	1.92
	.02		28	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.91	1.93	.....	.....	1.93	1.92
	.02	Sept.	2	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.91	1.93	.....	1.93	1.93	1.92
	.02		8	1.91	1.93	1.93	1.93	1.93	1.93	1.93	1.91	1.93	.....	1.93	1.93	1.92
	.02		9	1.91	1.93	1.91	1.91	1.93	1.93	1.93	1.91	1.93	.....	1.93	1.91	1.92
	.02		10	1.91	1.93	1.91	1.91	1.93	1.91	1.93	1.91	1.93	.....	1.93	1.91	1.91
	.02		11	1.91	1.93	1.91	1.91	1.93	1.91	1.91	1.91	1.93	.....	1.93	1.91	1.91
	.04		13	1.91	1.93	1.89	1.89	1.91	1.91	1.91	1.91	1.93	.....	1.93	1.89	1.91
	.06		15	1.89	1.93	1.87	1.89	1.87	1.87	1.91	1.89	1.93	.....	1.93	1.89	1.88
	.09		16	1.87	1.87	1.84	1.87	1.87	1.84	1.91	1.87	1.87	.....	1.93	1.87	1.88
	.07		17	1.84	1.87	1.84	1.84	1.84	1.84	1.91	1.84	1.87	.....	1.89	1.84	1.88
	.09		18	1.82	1.87	1.82	1.82	1.84	1.84	1.91	1.84	1.84	.....	1.89	1.84	1.84
	.09		19	1.82	1.82	1.82	1.82	1.84	1.84	1.91	1.84	1.84	.....	1.84	1.82	1.82
	.09		20	1.82	1.82	1.82	1.82	1.84	1.82	1.91	1.84	1.84	.....	1.84	1.82	1.82

*Equal monthly quantities.

Future quotation record—Continued.

OIL FOR MARCH DELIVERY (1920)—Continued.

[Spot quotation range—March spot range: Low, 1.72; high, 1.82.]

Competitive gal. spread.	Date of quotation.	1	2	3	4	5	6	7	8	9	10	11	12	14
$0.09	Sept. 22	1.82	1.82	1.82	1.82	1.84	1.82	1.91	1.82	1.84	.....	1.84	1.82	1.82
.09	23	1.82	1.82	1.82	1.82	1.84	1.82	1.91	1.82	1.84	1.82	1.84	1.82	1.82
.09	24	1.82	1.82	1.82	1.82	1.82	1.82	1.91	1.82	1.84	1.82	1.84	1.82	1.82
.19	25	1.72	1.82	1.72	1.72	1.72	1.82	1.91	1.72	1.84	1.82	1.84	1.72	1.82
.21	26	1.70	1.72	1.70	1.70	1.72	1.70	1.91	1.70	1.84	1.82	1.72	1.70	1.70
.21	27	1.70	1.70	1.70	1.70	1.72	1.70	1.91	1.70	1.84	1.82	1.72	1.70	1.70
.28	29	1.70	1.70	1.70	1.63	1.72	1.70	1.91	1.70	1.70	1.82	1.72	1.70	1.70
.09	30	1.63	1.63	1.63	1.63	1.72	1.63	1.63	1.70	1.70	1.70	1.72	1.63	1.63
391 .12	Oct. 1	1.60	1.60	1.60	1.60	1.72	1.60	1.63	1.60	1.70	1.60	1.72	1.60	1.63
.17	2	1.60	1.60	1.55	1.60	1.72	1.55	1.60	1.60	1.60	1.60	1.72	1.55	1.60
.11	3	1.55	1.55	1.49	1.55	1.49	1.49	1.55 1.49	1.55 1.50	1.55	1.50	1.55	1.50	1.60
.11	4	1.50 1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.50	1.55	1.49	1.60
.07	6	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.48	1.49	1.50	1.55	1.49	1.49
.12	7	1.49	1.49	1.49	1.60	1.49	1.49	1.49	1.48	1.49	1.50	1.55	1.49	1.49
.12	8	1.55 1.60	1.59	1.60 1.55	1.60	1.60	1.59	1.49	1.48	1.59	1.60	1.49	1.60 1.59	1.60
.11	9	1.59	1.55	1.59	1.59	1.55	1.59	1.59	1.59	1.59	1.60	1.49	1.59	1.60
.11	10	1.59	1.55	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.60	1.49	1.59	1.60
.10	13	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.49	1.59	1.59
	15	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59
.09	22	1.59	1.59	1.50	1.59	1.50	1.50	1.59	1.59	1.59	1.59	1.59	1.50	1.59
.09	23	1.50	1.50	1.50	1.50	1.50	1.50	1.59	1.50	1.59	1.59	1.50	1.50	1.50
	24	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
.05	Nov. 4	1.50	1.55	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	6	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
.10	7	1.60	1.60	1.60	1.50	1.50	1.60	1.50	1.50	1.60	1.50	1.50	1.60	1.55 1.60

		8	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
.10		12	1.60	1.60	1.70	1.60	1.60	1.70	1.60	1.60	1.70	1.60	1.60	1.60	1.60
.10		13	1.70	1.70	1.70	1.70	1.70	1.70	1.60	1.70	1.70	1.70	1.70	1.70	1.70
		14	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
.05		24	1.75	1.70	1.75	1.70	1.75	1.75	1.70	1.75	1.75	1.75	1.75	1.70	1.70
.05		25	1.75	1.75	1.75	1.70	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.70	1.70
.05		26	1.75	1.75	1.75	1.70	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.70	1.75
.05		28	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.70	1.75
.15		29	1.75	1.75	1.85	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.70	1.75
			*(1.70)												
.15	Dec.	2	1.80	1.75	1.85	1.75	1.75	1.75	1.75	1.75	1.75	1.85	1.75	1.70	1.75
.15		3	1.80	1.75	1.85	1.85	1.75	1.75	1.75	1.75	1.75	1.85	1.75	1.70	1.75
392 .15		4	1.80	1.85	1.85	1.85	1.75	1.75	1.85	1.75	1.85	1.85	1.75	1.70	1.75
.10		8	1.80	1.85	1.85	1.85	1.75	1.75	1.85	1.75	1.85	1.85	1.75	1.75	1.75
.10		10	1.80	1.75	1.85	1.85	1.75	1.75	1.85	1.75	1.85	1.85	1.85	1.75	1.75
.10		12	1.75	1.75	1.85	1.85	1.75	1.75	1.85	1.75	1.85	1.85	1.85	1.75	1.75
.10		16	1.75	1.75	1.75	1.75	1.75	1.75	1.85	1.75	1.85	1.85	1.85	1.75	1.75
.10		17	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.85	1.85	1.85	1.75	1.75
.10		18	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.85	1.75	1.75
		22	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
	Jan.		1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
	Feb.		1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

393 OIL FOR APRIL DELIVERY (1920).

$0.22	July	22	2.15	Out of market	2.00	2.00	2.10	1.93	Out of market	.....	2.15	.....	Out of market	*(1.93)	Out of market
.22		23	2.15	.....	1.93	2.00	2.10	1.93	.....	.....	2.15	.....	.....	*(1.93)	.....
.22		24	2.15	.....	*(1.93)	2.00	2.10	1.93	.....	.....	2.15	.....	.....	1.93	.....
.27		25	2.20	.....	*(1.93)	2.00	1.93	1.93	.....	.....	2.15	.....	.....	1.93	.....
.27		26	2.20	.....	*(1.93)	2.00	1.93	1.93	.....	.....	2.20	.....	.....	1.93	.....
.27	Aug.	4	2.20	.....	1.93	1.93	1.93	1.93	.....	.....	2.20	.....	.....	1.93	.....
.27		5	2.20	.....	1.93	1.93	1.93	1.93	.....	.....	2.20	.....	.....	1.93	1.93
.36		20	2.20	1.84	1.84	1.93	1.93	1.93	.....	.....	2.20	.....	.....	1.84	1.93
.36		21	2.20	1.84	1.84	1.93	1.93	1.84	.....	.....	2.20	.....	.....	1.84	1.93
.36		22	1.84	1.84	1.84	1.93	1.93	1.84	.....	.....	2.20	.....	.....	1.84	1.92

* Equal monthly quantities.

Future quotation record—Continued.

OIL FOR APRIL DELIVERY (1920)—Continued.

Competitive gal. spread.	Date of quotation.	1	2	3	4	5	6	7	8	9	10	11	12	14
$0.36	Aug. 23	1.84	1.84	1.84	1.93	1.84	1.84	.....	.....	2.20	.....	.....	1.84	1.92
.37	27	1.84	1.84	1.84	1.84	1.84	1.84	.....	.....	2.20	.....	.....	1.93	1.83
.10	28	1.93	1.93	1.93	1.84	1.93	1.84	1.93	1.91	1.93	.....	.....	1.93	1.83
.09	29	1.93	1.93	1.93	1.84	1.93	1.93	1.93	1.91	1.93	.....	.....	1.93	1.92
.02	30	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.91	1.93	.....	.....	1.93	1.92
.02	Sept. 2	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.91	1.93	.....	1.93	1.93	1.92
.02	8	1.91	1.93	1.93	1.93	1.93	1.93	1.93	1.91	1.93	.....	1.93	1.93	1.92
.02	9	1.91	1.93	1.91	1.91	1.93	1.93	1.93	1.91	1.93	.....	1.93	1.91	1.92
.02	10	1.91	1.93	1.91	1.91	1.93	1.91	1.93	1.91	1.93	.....	1.93	1.91	1.91
.02	11	1.91	1.93	1.91	1.91	1.93	1.91	1.91	1.91	1.93	.....	1.93	1.91	1.91
.04	13	1.91	1.93	1.89	1.89	1.91	1.91	1.91	1.91	1.93	.....	1.93	1.89	1.91
.06	15	1.89	1.93	1.87	1.89	1.87	1.87	1.91	1.89	1.93	.....	1.93	1.89	1.88
.09	16	1.87	1.87	1.84	1.87	1.87	1.84	1.91	1.87	1.87	.....	1.93	1.87	1.88
.07	17	1.84	1.87	1.84	1.84	1.84	1.84	1.91	1.84	1.87	.....	1.89	1.84	1.88
.09	18	1.82	1.87	1.82	1.82	1.84	1.84	1.91	1.84	1.84	.....	1.89	1.84	1.84
.09	19	1.82	1.82	1.82	1.82	1.84	1.84	1.91	1.84	1.84	.....	1.84	1.82	1.82
.09	20	1.82	1.82	1.82	1.82	1.84	1.82	1.91	1.84	1.84	.....	1.84	1.82	1.82
.09	22	1.82	1.82	1.82	1.82	1.84	1.82	1.91	1.82	1.84	.....	1.84	1.82	1.82
.09	23	1.82	1.82	1.82	1.82	1.84	1.82	1.91	1.82	1.84	1.82	1.84	1.82	1.82
394 .09	24	1.82	1.82	1.82	1.82	1.82	1.82	1.91	1.82	1.84	1.82	1.82	1.82	1.82
.19	25	1.72	1.82	1.72	1.72	1.72	1.82	1.91	1.72	1.84	1.82	1.82	1.72	1.82
.21	26	1.70	1.72	1.70	1.70	1.72	1.70	1.91	1.70	1.84	1.82	1.72	1.70	1.70
.21	27	1.70	1.70	1.70	1.70	1.72	1.70	1.91	1.70	1.84	1.82	1.72	1.70	1.70
.28	29	1.70	1.70	1.70	1.63	1.72	1.70	1.91	1.70	1.70	1.82	1.72	1.70	1.70
.09	30	1.63	1.63	1.63	1.63	1.72	1.63	1.63	1.70	1.70	1.70	1.72	1.63	1.63
.12	Oct. 1	1.60	1.60	1.60	1.60	1.72	1.60	1.63	1.60	1.70	1.60	1.72	1.60	1.63
.17	2	1.60	1.60	1.55	1.60	1.72	1.55	1.60	1.60	1.60	1.60	1.72	1.55	1.60
.11	3	1.55	1.55	1.49	1.55	1.49	1.49	{ 1.55 1.49	1.55 1.50 }	1.55	1.50	1.55	1.50	1.60
.11	4	{ 1.50 1.49 }	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.50	1.55	1.49	1.60

.07		6	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.48	1.49	1.50	1.55	1.49	1.49
.12		7	1.49	1.49	1.49	1.60	1.49	1.49	1.49	1.48	1.49	1.50	1.55	1.49	1.49
.12		8	1.55 1.60	1.59	1.60 1.55	1.60	1.60	1.59	1.49	1.48	1.59	1.60	1.49	1.60 1.59	1.60
.11		9	1.59	1.55	1.59	1.59	1.55	1.59	1.59	1.59	1.59	1.60	1.49	1.59	1.60
.11		10	1.59	1.55	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.60	1.49	1.59	1.60
.10		13	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.49	1.59	1.59
		15	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59
.09		22	1.59	1.59	1.50	1.59	1.50	1.50	1.59	1.59	1.59	1.59	1.59	1.50	1.59
.09		23	1.50	1.50	1.50	1.50	1.50	1.50	1.59	1.50	1.59	1.59	1.50	1.50	1.50
		24	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
.05	Nov.	4	1.50	1.55	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
		6	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
.05		7	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.55
		10	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
.10		12	1.50	1.50	1.60	1.50	1.50	1.60	1.50	1.50	1.60	1.50	1.50	1.50	1.50
.10		13	1.60	1.60	1.60	1.60	1.60	1.60	1.50	1.60	1.60	1.60	1.60	1.60	1.60
		14	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
395 .10		29	1.60	1.60	1.70	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
.10	Dec.	2	1.70	1.60	1.70	1.60	1.60	1.60	1.60	1.60	1.60	1.70	1.60	1.60	1.60
.10		3	1.70	1.60	1.70	1.70	1.60	1.60	1.60	1.60	1.60	1.70	1.60	1.60	1.60
.25		4	1.70	1.85	1.70	1.70	1.60	1.60	1.70	1.60	1.70	1.70	1.60	1.60	1.60
.25		5	1.70	1.85	1.85	1.70	1.60	1.60	1.70	1.60	1.70	1.70	1.60	1.60	1.60
.25		8	1.60	1.85	1.85	1.70	1.60	1.60	1.70	1.60	1.70	1.70	1.60	1.70	1.60
.25		9	1.70	1.85	1.85	1.70	1.60	1.70	1.70	1.60	1.70	1.70	1.60	1.70	1.70
.25		10	1.70	1.70	1.85	1.70	1.60	1.70	1.70	1.60	1.70	1.70	1.70	1.70	1.70
.25		11	1.70	1.70	1.85	1.70	1.70	1.70	1.70	1.60	1.70	1.70	1.70	1.70	1.70
.10		16	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.60	1.70	1.70	1.70	1.70	1.70
.10	Jan.		1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.60	1.70	1.70	1.70	1.70	1.70
		13	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
	Feb.		1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
.02	Mar.	4	1.70	1.70	1.72	1.70	1.70	1.72	1.70	1.70	1.72	1.70	1.70	.....	1.70
.02		5	1.72	1.72	1.72	1.72	1.70	1.72	1.72	1.70	1.72	1.72	1.70	.....	1.70
.10		8	1.72	1.72	1.77	1.80	1.70	1.72	1.72	1.72	1.72	1.72	1.72	.....	1.70
.12		9	1.77	1.77	1.77	1.82	1.70	1.77	1.77	1.72	1.77	1.77	1.72	.....	1.77
.10		10	1.77	1.82	1.82	1.82	1.82	1.77	1.77	1.72	1.77	1.77	1.77	.....	1.77
.10		11	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.72	1.82	1.77	1.77	.....	1.82
		12	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	.....	1.82
.05		18	1.82	1.82	1.82	1.87	1.82	1.82	1.82	1.82	1.82	1.82	1.82	.....	1.82

Future quotation record—Continued.

OIL FOR APRIL DELIVERY (1920)—Continued.

Competitive gal. spread.	Date of quotation.	1	2	3	4	5	6	7	8	9	10	11	12	14
$0.05	Mar. 25	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.77
.10	26	1.72	1.82	1.72	1.82	1.72	.....	1.82	1.72	1.82	1.82	1.82	.....	1.77
.10	27	1.82	1.72	1.72	1.82	1.72	.....	1.72	1.72	1.72	1.82	1.82	.....	1.72
.10	29	1.82	1.72	1.82	1.82	1.72	.....	1.82	1.72	1.82	1.82	1.82	.....	1.72
.10	30	1.82	1.82	1.82	1.82	1.72	.....	1.82	1.72	1.82	1.82	1.82	.....	1.72
.10	31	1.82	1.82	1.82	1.82	1.72	.....	1.82	1.72	1.82	1.82	1.82	.....	1.82

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OIL FOR MAY DELIVERY (1920).

[Spot quotation range—May spot range: Low, 1.67; high, 1.79.]

	June 30	.....	.....	1.83	.....	1.83	1.83	.....	.....	.....	.....	.....	.....	.....
$0.13	July 1	1.93	.....	1.83	.....	1.83	1.83	1.83	.....	.....	.....	.....	1.80	.....
.10	2	1.93	.....	1.83	1.83	1.83	1.83	1.83	.....	.....	.....	.....	1.83	.....
													*(1.80)	.....
.27	7	2.10	.....	2.00	1.83	1.83	1.93	1.83	.....	.....	.....	.....	1.86	.....
													*(1.83)	.....
													1.93	.....
													*(1.90)	.....
.17	8	2.10	2.00	2.00	2.00	2.00	1.93	2.00	.....	2.00	.....	.....	*(1.93)	.....
.17	9	2.10	2.00	2.00	2.00	2.00	1.93	2.00	.....	2.00	.....	2.00	*(1.93)	.....
.17	10	2.10	Out of market	2.00	2.00	2.00	1.93	2.00	.....	2.00	.....	2.00	*(1.93)	.....
.27	11	2.15	.....	2.20	2.20	2.10	1.93	2.00	.....	2.00	.....	2.00	*(2.00)	.....
.27	14	2.15	.....	2.00	2.20	2.10	1.93	Out of market	.....	2.15	.....	2.00	*(2.00)	.....
.22	15	2.15	.....	2.00	2.00	2.10	1.93	.....	.....	2.15	.....	Out of market	2.00	.....
.22	16	2.15	.....	2.00	2.00	2.10	1.93	.....	.....	2.15	.....	.....	1.93	.....

| | | |

Future quotation record—Continued.

OIL FOR MAY DELIVERY (1920)—Continued.

[Spot quotation range—May spot range: Low, 1.67; high, 1.79.]

Competitive gal. spread.	Date of quotation.	1	2	3	4	5	6	7	8	9	10	11	12	13
$0.12	Oct. 7	1.49	1.49	1.49	1.60	1.49	1.49	1.49	1.48	1.49	1.50	1.55	1.49	1.49
.11	8	1.55 1.60	1.59	1.60 1.55	.....	1.60	1.59	.....	.....	1.59	1.60	1.49	1.60 1.59	1.60
.11	9	1.59	1.55	1.59	1.59	1.55	1.59	1.59	1.59	1.59	1.60	1.49	1.59	1.60
.11	10	1.59	1.55	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.60	1.49	1.59	1.60
398 .10	13	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.49	1.59	1.59
	15	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59
09	22	1.59	1.59	1.50	1.59	1.50	1.50	1.59	1.59	1.59	1.59	1.59	1.50	1.59
.09	23	1.50	1.50	1.50	1.50	1.50	1.50	1.59	1.50	1.59	1.59	1.50	1.50	1.50
	24	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
.05	Nov. 4	1.50	1.55	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	6	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
.05	7	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.55
.10	10	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
.10	12	1.50	1.50	1.60	1.50	1.50	1.60	1.50	1.50	1.60	1.50	1.50	1.50	1.50
.10	13	1.60	1.60	1.60	1.60	1.60	1.60	1.50	1.60	1.60	1.60	1.60	1.60	1.60
	14	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
.10	Dec. 4	1.60	1.70	1.60	1.60	1.60	1.60	1.70	1.60	1.70	1.60	1.60	1.60	1.60
.10	5	1.60	1.70	1.70	1.60	1.60	1.60	1.70	1.60	1.70	1.60	1.60	1.60	1.60
.10	8	1.60	1.70	1.70	1.60	1.60	1.60	1.70	1.60	1.70	1.70	1.60	1.60	1.60
.10	9	1.60	1.70	1.60	1.60	1.60	1.60	1.70	1.60	1.70	1.70	1.60	1.60	1.60
.10	10	1.60	1.60	1.60	1.60	1.60	1.60	1.70	1.60	1.70	1.70	1.70	1.60	1.60
.10	13	1.60	1.60	1.60	1.60	1.60	1.60	1.70	1.60	1.70	1.60	1.70	1.60	1.60
.10	17	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.70	1.60	1.70	1.60	1.60
.10	18	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.70	1.60	1.60
	22	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
	Jan. 1	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
.10	30	1.60	1.60	1.70	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
	Feb. 3	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
.10	26	1.70	1.60	1.70	1.70	1.60	1.70	1.70	1.60	1.70	1.60	1.60	.....	1.60

.10		27	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.60	1.70	1.60	1.60	.....	1.70
.10		28	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.60	1.70	1.70	1.70	.....	1.70
	Mar.	2	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	.....	1.70
.02		4	1.70	1.70	1.72	1.70	1.70	1.72	1.70	1.70	1.72	1.70	1.70	.....	1.70
399 .02		5	1.72	1.72	1.72	1.72	1.70	1.72	1.72	1.70	1.72	1.72	1.70	.....	1.70
.07		8	1.72	1.72	1.77	1.72	1.70	1.72	1.72	1.72	1.72	1.72	1.72	.....	1.70
.07		9	1.77	1.77	1.77	1.77	1.70	1.77	1.77	1.72	1.77	1.77	1.72	.....	1.77
.10		10	1.77	1.82	1.82	1.82	1.77	1.77	1.77	1.72	1.77	1.77	1.77	.....	1.77
.10		11	1.82	1.82	1.82	1.82	1.77	1.82	1.82	1.72	1.82	1.77	1.77	.....	1.82
.05		12	1.82	1.82	1.82	1.82	1.77	1.82	1.82	1.82	1.82	1.82	1.82	.....	1.82
.05		18	1.82	1.82	1.82	1.87	1.82	1.82	1.82	1.82	1.82	1.82	1.82	.....	1.82
		19	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82
.05		25	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.77
.10		26	1.72	1.82	1.72	1.82	1.72	.....	1.82	1.72	1.82	1.82	1.82	.....	1.77
.10		27	1.82	1.72	1.72	1.82	1.72	.....	1.72	1.72	1.72	1.82	1.82	.....	1.72
.10		29	1.82	1.72	1.82	1.82	1.72	.....	1.82	1.72	1.82	1.82	1.82	.....	1.72
.10		30	1.82	1.82	1.82	1.82	1.72	.....	1.82	1.72	1.82	1.82	1.82	.....	1.72
.10		31	1.82	1.82	1.82	1.82	1.72	.....	1.82	1.72	1.82	1.82	1.82	.....	1.82
.10	Apr.	2	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.72	1.82	1.82	1.82	.....	1.82
		6	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82
.05		16	1.77	1.82	1.79	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.79
.05		17	1.77	1.79	1.79	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.79
.05		19	1.77	1.79	1.79	1.82	1.82	.....	1.82	1.77	1.82	1.82	1.82	.....	1.79
.05		21	1.77	1.79	1.79	1.82	1.79	.....	1.82	1.77	1.82	1.82	1.82	.....	1.79
.08		22	1.74	1.79	1.79	1.82	1.79	.....	1.82	1.77	1.82	1.82	1.82	.....	1.79
..12		23	1.74	1.72	1.72	1.82	1.79	.....	1.82	1.70	1.82	1.82	1.82	.....	1.79
.12		26	1.74	1.72	1.72	1.82	1.79	.....	1.82	1.70	1.82	1.82	1.82	.....	1.72
.12		28	1.74	1.72	1.72	1.72	1.79	.....	1.82	1.70	1.82	1.82	1.72	.....	1.72

Future quotation record—Continued.

400 OIL FOR JUNE DELIVERY (1920).

[Spot quotation range—June spot range: Low, 1.58; high, 1.72.]

Competitive gal. spread.	Date of quotation.	1	2	3	4	5	6	7	8	9	10	11	12	14
	July 22	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1.93	.....
	23	.....	.....	1.93	.....	.....	.....	.....	.....	.....	.....	.....	1.93	.....
	24	.....	.....	1.93	.....	.....	1.93	.....	.....	.....	.....	.....	1.93	.....
	25	.....	.....	1.93	.....	1.93	1.93	.....	.....	.....	.....	.....	1.93	.....
$0.09	Aug. 4	.....	.....	1.84	1.93	1.93	1.93	.....	.....	.....	.....	.....	1.93	.....
.09	5	.....	.....	1.84	1.93	1.93	1.93	.....	.....	.....	.....	.....	1.93	1.93
.09	7	.....	.....	1.84	1.93	1.84	1.93	.....	.....	.....	.....	.....	1.93	1.93
.09	19	.....	.....	1.84	1.93	1.84	1.84	.....	.....	.....	.....	.....	1.93	1.93
.09	20	.....	1.84	1.84	1.93	1.84	1.84	.....	.....	.....	.....	.....	1.84	1.93
.09	21	.....	1.84	1.84	1.93	1.84	1.84	.....	.....	.....	.....	.....	1.84	1.84
.09	22	1.84	1.84	1.84	1.93	1.84	1.84	.....	.....	.....	.....	.....	1.84	1.84
.01	27	1.84	1.84	1.84	1.84	1.84	1.84	.....	.....	.....	.....	.....	1.84	1.83
.01	Sept. 11	1.84	1.84	1.84	1.84	1.84	1.84	1.84	.....	.....	.....	.....	1.84	1.83
.02	18	1.84	1.84	1.82	1.82	1.84	1.84	1.84	.....	.....	.....	.....	1.84	1.83
.02	19	1.84	1.82	1.82	1.82	1.84	1.84	1.84	.....	.....	.....	.....	1 82	Out of
.02	20	1.82	1.82	1.82	1.82	1.84	1.82	1.84	.....	.....	.....	.....	1.82	market
.02	23	1.82	1.82	1.82	1.82	1.84	1.82	1.84	.....	.....	1.82	.....	1.82	.....
.02	24	1.82	1.82	1.82	1.82	1.82	1.82	1.84	.....	.....	1.82	.....	1.82	.....
.12	25	1.72	1.82	1.72	1.72	1.72	1.82	1.84	.....	.....	1.82	.....	1.72	.....
.14	26	1.70	1.72	1.70	1.70	1.72	1.70	1.84	.....	.....	1.82	1.72	1.70	.....
.14	27	1.70	1.70	1.70	1.70	1.72	1.70	1.84	.....	.....	1.82	1.72	1.70	.....
.21	29	1.70	1.70	1.70	1.63	1.72	1.70	1.84	.....	1.70	1.82	1.72	1.70	.....
.09	30	1.63	1.63	1.63	1.63	1.72	1.63	1.63	.....	1.70	1.70	1.72	1.63	.....
.12	Oct. 1	1.60	1.60	1.60	1.60	1.72	1.60	1.63	1.60	1.70	1.60	1.72	1.60	.....
.17	2	1.60	1.60	1.55	1.60	1.72	1.55	1.60	1.60	1.60	1.60	1.72	1.55	.....
.06	3	1.55	1.55	1.49	1.55	1.49	1.49	1.55 1.49	1.55 1.50	1.55	1.50	1.55	1.50	.....
.06	4	1.50 1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.50	1.55	1.49	.....

401	.07		6	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.48	1.49	1.50	1.55	1.49	Out of market	
	.12		8	1.55 1.60	1.59	1.60 1.55	1.60	1.60	1.59	1.49	1.48	1.59	1.60	1.49	1.60 1.59	....	
	.11		9	1.59	1.55	1.59	1.59	1.55	1.59	1.59	1.59	1.59	1.60	1.49	1.59	.....	
	.11		10	1.59	1.55	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.60	1.49	1.59	.....	
	.10		13	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.49	1.59	.....	
			15	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	.....	
	.09		22	1.59	1.59	1.50	1.59	1.50	1.50	1.59	1.59	1.59	1.59	1.59	1.50	.....	
	.09		23	1.50	1.50	1.50	1.50	1.50	1.50	1.59	1.50	1.59	1.59	1.50	1.50	.....	
			24	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	.....	
	.05	Nov.	4	1.50	1.55	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	.....	
			6	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	.....	
	.05		7	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.55	
			10	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
	.10		12	1.50	1.50	1.60	1.50	1.50	1.60	1.50	1.50	1.60	1.50	1.50	1.50	1.50	
	.10		13	1.60	1.60	1.60	1.60	1.60	1.60	1.50	1.60	1.60	1.60	1.60	1.60	1.60	
			14	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	
	.10	Dec.	4	1.60	1.70	1.60	1.60	1.60	1.60	1.70	1.60	1.70	1.60	1.60	1.60	1.60	
	.10		5	1.60	1.70	1.70	1.60	1.60	1.60	1.70	1.60	1.70	1.60	1.60	1.60	1.60	
	.10		8	1.60	1.70	1.70	1.60	1.60	1.60	1.70	1.60	1.70	1.70	1.60	1.60	1.60	
	.10		9	1.60	1.70	1.60	1.60	1.60	1.60	1.70	1.60	1.70	1.70	1.60	1.60	1.60	
	.10		10	1.60	1.60	1.60	1.60	1.60	1.60	1.70	1.60	1.70	1.70	1.60	1.60	1.60	
	.10		13	1.60	1.60	1.60	1.60	1.60	1.60	1.70	1.60	1.70	1.60	1.70	1.60	1.60	
	.10		17	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.70	1.60	1.70	1.60	1.60	
	.10		18	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.70	1.60	1.60	
			22	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	
402		Jan.		1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	
	.10	Feb.	7	1.60	1.60	1.50	1.50	1.60	1.50	1.60	1.60	1.60	1.60	1.60	1.50	1.50	
	.10		9	1.50	1.50	1.50	1.50	1.60	1.50	1.60	1.50	1.60	1.60	1.60	1.50	1.50	
	.10		10	1.50	1.50	1.50	1.50	1.50	1.50	1.60	1.50	1.60	1.60	1.60	1.50	1.50	
	.10		26	1.60	1.50	1.60	1.60	1.50	1.60	1.60	1.60	1.60	1.60	1.60	.....	1.50	
			27	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	.....	1.60	
	.02	Mar.	4	1.60	1.60	1.62	1.60	1.60	1.62	1.60	1.60	1.62	1.60	1.60	.....	1.60	
	.02		5	1.62	1.62	1.62	1.62	1.60	1.62	1.62	1.60	1.62	1.62	1.60	.....	1.60	
	.07		8	1.62	1.62	1.67	1.62	1.60	1.62	1.62	1.62	1.62	1.62	1.62	.....	1.60	
	.07		9	1.67	1.67	1.67	1.67	1.60	1.67	1.67	1.62	1.67	1.67	1.62	.....	1.67	
	.20		10	1.67	1.82	1.82	1.82	1.67	1.67	1.67	1.62	1.67	1.67	1.67	.....	1.67	
	.20		11	1.82	1.82	1.82	1.82	1.67	1.82	1.82	1.62	1.82	1.67	1.67	.....	1.82	

Future quotation record—Continued.

OIL FOR JUNE DELIVERY (1920)—Continued.

[Spot quotation range—June spot range: Low, 1.58; high, 1.72.]

Competitive gal. spread.	Date of quotation.	1	2	3	4	5	6	7	8	9	10	11	12	14
$0.15	Mar. 12	1.82	1.82	1.82	1.82	1.67	1.82	1.82	1.77	1.82	1.82	1.82	.....	1.82
.15	17	1.82	1.82	1.82	1.82	1.67	1.82	1.82	1.82	1.82	1.82	1.82	.....	1.82
	18	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	.....	1.82
.05	25	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.77
.10	26	1.72	1.82	1.72	1.82	1.72	.....	1.82	1.72	1.82	1.82	1.82	.....	1.77
.10	27	1.82	1.72	1.72	1.82	1.72	.....	1.72	1.72	1.72	1.82	1.82	.....	1.72
.10	29	1.82	1.72	1.82	1.82	1.72	.....	1.82	1.72	1.82	1.82	1.82	.....	1.72
.10	30	1.82	1.82	1.82	1.82	1.72	.....	1.82	1.72	1.82	1.82	1.82	.....	1.72
.10	31	1.82	1.82	1.82	1.82	1.72	.....	1.82	1.72	1.82	1.82	1.82	.....	1.82
.10	Apr. 2	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.72	1.82	1.82	1.82	.....	1.82
	6	1.82	1.82	1.82	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.82
.05	16	1.77	1.82	1.79	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.79
.05	17	1.77	1.79	1.79	1.82	1.82	.....	1.82	1.82	1.82	1.82	1.82	.....	1.79
.05	19	1.77	1.79	1.79	1.82	1.82	.....	1.82	1.77	1.82	1.82	1.82	.....	1.79
.05	21	1.77	1.79	1.79	1.82	1.79	.....	1.82	1.77	1.82	1.82	1.82	.....	1.79
403–404 .08	22	1.74	1.79	1.79	1.82	1.79	.....	1.82	1.77	1.82	1.82	1.82	.....	1.79
.12	23	1.74	1.72	1.72	1.82	1.79	.....	1.82	1.70	1.82	1.82	1.82	.....	1.79
.12	26	1.74	1.72	1.72	1.82	1.79	.....	1.82	1.70	1.82	1.82	1.82	.....	1.72
.12	28	1.74	1.72	1.72	1.72	1.79	.....	1.82	1.70	1.82	1.82	1.72	.....	1.72
.09	May 1	1.72	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72
.17	13	1.62	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.67
.17	15	1.62	1.72	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72
.19	22	1.62	1.60	1.72	1.72	1.79	.....	1.72	1.70	1.72	1.72	1.72	.....	1.72
.21	24	1.62	1.60	1.72	1.72	1.79	.....	1.72	1.58	1.72	1.72	1.72	.....	1.72
.14	27	1.62	1.60	1.72	1.72	1.72	.....	1.72	1.58	1.72	1.72	1.72	.....	1.72
.12	29	1.62	1.60	1.72	1.72	1.72	.....	1.72	1.65	1.72	1.72	1.72	.....	1.72

405 PLAINTIFF'S EXHIBIT 5.

406 PLAINTIFF'S EXHIBIT 6.

(Illegible.)

407 PLAINTIFF'S EXHIBIT 7.

(Illegible.)

408 PLAINTIFF'S EXHIBIT 8.

Department of Commerce, Bureau of the Census, Sam. L. Rogers, Director. Animal and vegetable fats and oils. Production, consumption, imports, exports, and stocks, by quarters, calendar years 1919 and 1920. Prepared under supervision of William L. Austin, chief statistician, assisted by Harvey J. Zimmerman, expert special agent.

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Department of Commerce, United States of America. Washington, Government Printing Office, 1921.

409 Animal and vegetable fats and oils.

Introduction.

Reliable statistics of the production, consumption, and stocks of animal and vegetable fats and oils were found to be of such prime importance during the war that the work of compiling them was undertaken by a division of the United States Food Administration. The activities of that organization as regards these statistics ceased with the collection of data covering the month of December, 1918. The Census Bureau was authorized in May, 1919, to continue this service, with some modifications, during the critical period of reconstruction, and quarterly reports have been compiled and published for each quarter in 1919 and 1920.

The scope of the survey as conducted by the Food Administration embraced all the corporations, firms, and individuals licensed by it to handle these commodities, and all such licensees were required to make monthly reports. The scope of the inquiry by the Census

Bureau covers factory production and factory consumption for three-month periods, and factory and warehouse stocks at the end of each period. The list of establishments canvassed to secure the data for the first quarter of 1919 included not only those listed by the Food Administration but in addition a considerable number obtained from miscellaneous sources.. As the work progressed it was discovered that the operations of some of those canvassed were not applicable to the purposes of the inquiry and they were accordingly dropped from the list. On the other hand, additional names were added from time to time and important data were obtained for some of the later quarterly summaries, whereas corresponding data had not been received and, therefore, had not been included in the earlier summaries. Furthermore, as the reports from the several establishments accumulated making comparisons possible, and as the nature of the operations of the individual plants became more clearly defined, deficiencies and inconsistencies in some of the reports were easily discernible, which in the first stages of the work were not questioned. Because of these conditions the individual reports for all quarters of the year 1919 have been examined and corrections made and missing data supplied by correspondence to the end that the revised figures in this publication are practically complete and reliable for the purposes they are meant to serve.

The number of commodities about which inquiry is to be made must have limitation in any practical scheme of canvass and compilation within a stated period. It was thought therefore that the factory production of the crude products, their consumption in refining and other manufacturing processes, the production of certain specified refined oils and of the derivatives or secondary products obtained in all these processes, together with stocks of all kinds on specified dates would be sufficient information to enable all interested persons to arrive at a practical judgment of the fats and oils situation in general. Accordingly the many compounds, mixtures, and substitutes turned out by the factories were not included, as such, in the schedule of inquiry.

In interpreting the statistics in this report their limitations as indicated by the scope of the inquiry should be borne in mind. For many of the commodities the factory production represents practically the entire production of the country. This is especially the case as regards the crude and refined vegetable oils and of the derivatives, or secondary products, of both animal and vegetable fats and
410 oils. However, it is evident that the factory production of the primary animal fats and greases does not account for the considerable quantities produced on the farms, in the homes, and in the smaller local butcher shops and meat markets. Neither does the factory consumption of animal and vegetable fats and oils constitute the total consumption in many instances. Large quantities find their way to consumption in the trades and in the homes of the people through the channels of the wholesale and retail businesses. In like manner the figures for stocks, limited as they are to the holdings in

manufacturing plants, and in warehouses, do not include the large quantities held by the smaller dealers. Particularly affected by these conditions are the consumption and stocks of refined cottonseed, peanut, and olive oils which are used so largely in the homes for culinary purposes; of soya bean, linseed, and menhaden oils used to such large extent by painters; and notably of lard, so much of the factory production of which finds its way through the channels of trade to household consumption.

As previously stated, compounds and substitutes are not reported as such in the figures of production, consumption, and stocks. However, the item of "Hydrogenated fats and oils" embraces some of the lard and butter substitutes which appear on the market under various trade names; also, the item of "Vegetable stearin," which some manufacturers confound with hydrogenated oils because they happen to be of similar appearance and consistency and are capable of being put, to some extent, to similar uses. Vegetable stearin is produced from vegetable oils by chilling processes which separate the olein or liquid portions from the stearin or solid portions. This process may be entire, making practically a complete separation, or it may be partial, removing from the oil only a portion of the stearin as is done in the preparation of winter oils. On the other hand in the hydrogenation process, in which reduced nickel is used to effect the combination of hydrogen gas with the liquid glycerids of the oils, the entire bulk of the oil is hardened or reduced to the consistency of a soft or a stiff fat according to the degree of hydrogenation, and none of its constituent elements is removed. It is highly probable, therefore, that the figures for vegetable stearin given in this bulletin include considerable quantities of hydrogenated oils and in drawing deductions in this connection both items should be considered together. It is probable, however, that the aggregate of both these items does not cover all the lard substitutes and nut butters produced. A confusion of terms has probably affected the reports on lard also, and the figures for neutral lard doubtless include some ordinary edible lard.

Attention is called to the fact that establishments engaged in the same kind of operations have not been uniform in their methods of reporting those operations. For example, establishments engaged in the refining of vegetable oils theoretically should report the amount of crude oil consumed in the refining process, the amount of refined oil produced, and the amount of foots resulting from the operation together with the amounts of either consumed in further process and the resultant product or products. Some of the establishments did so report; others apparently neglected to give, or were not in position to give, accurate information as to the intermediate steps in a practically continuous process and, for instance, instead of reporting any crude foots at all, reported the final product as distilled foots, or acidulated soap stock, or fatty acids. Some of the producers of oleo oil and oleo stearin did not report as either pro-

duced, consumed, or on hand the oleo stock, or even include it under the heading of edible tallow as others apparently did. Our figures for oleo stock, therefore, did not represent the totals for production or consumption as was evident from the figures for production of oleo oil and oleo stearin. Oleo stock was accordingly dropped from the schedule of inquiry. The same condition affects to a less extent the data for the several kinds of glycerin. It should be stated, however, that the reports of individual establishments have been uniform in nature as to their operations during the two years shown in the following tables, and the statistics are, therefore, comparable.

411 TABLE 1.—*Production and consumption of animal and vegetable*

Item.	Year.	Production (pounds).				
		Total.	Jan. 1 to Mar. 31.	Apr. 1 to June 30.	July 1 to Sept. 30.	Oct. 1 to Dec. 31.
VEGETABLE OILS.						
Cottonseed, crude	1920	1,141,389,742	406,333,982	88,889,822	51,875,320	594,290,618
	1919	1,430,002,962	499,061,650	204,166,650	90,382,834	636,391,828
Cottonseed, refined	1920	978,252,215	357,572,013	149,444,667	51,523,813	419,711,722
	1919	1,180,285,341	380,431,429	283,505,646	94,143,116	422,205,150
Peanut, crude and virgin	1920	13,085,262	1,206,774	2,311,024	3,498,331	6,069,133
	1919	87,606,844	46,709,760	37,018,116	2,483,574	1,395,394
Peanut, refined	1920	73,459,511	12,748,195	23,042,978	25,390,184	12,278,154
	1919	184,603,537	39,779,700	65,777,755	61,086,800	17,959,282
Coconut or copra, crude	1920	131,218,408	39,682,389	31,047,058	33,607,312	26,881,649
	1919	215,542,157	41,225,676	63,986,181	58,365,051	51,965,249
Coconut or copra, refined	1920	185,943,673	62,138,929	47,189,548	28,252,439	48,362,757
	1919	277,092,711	26,931,934	89,434,280	86,938,845	73,787,652
Corn, crude	1920	98,618,940	32,213,051	24,928,370	28,221,470	13,256,049
	1919	97,399,573	22,345,944	26,303,349	23,509,323	25,241,257
Corn, refined	1920	76,009,846	23,786,213	18,930,740	21,248,547	12,044,346
	1919	76,047,692	15,623,350	19,029,753	19,702,450	21,692,139
Soya-bean, crude	1920					
	1919					
Soya-bean, refined	1920	64,624,876	38,437,120	12,807,662	7,810,319	5,569,775
	1919	149,048,162	23,858,586	39,301,841	59,763,959	26,123,776
Olive, crude and virgin	1920	643,116	384,115			259,001
	1919	438,694	307,944			130,750
Olive, refined	1920	8,300	5,300		3,000	
	1919	101,796	93,796	4,000	4,000	
Palm-kernel, crude	1920	2,671,112	626,887	566,415	303,497	1,174,313
	1919	2,517,105	160,080	899,772	110,669	1,346,584
Palm-kernel, refined	1920					
	1919					
Rapeseed	1920	408,840	78,183	185,530	107,047	38,080
	1919	1,236,743	192,375	291,535	440,590	312,243
Linseed	1920	483,271,517	117,225,669	121,406,571	126,137,706	120,501,571
	1919	452,927,798	88,704,568	95,040,905	129,221,965	139,960,360
Chinese wood or tung	1920					
	1919					
Castor	1920	24,187,085	7,595,144	6,585,702	6,179,384	3,826,855
	1919	24,637,203	3,780,546	8,138,673	6,010,572	6,707,412
Palm	1920					
	1919					
Chinese vegetable tallow	1920					
	1919					
All other vegetable oils	1920	1,610,272	584,545	432,168	359,384	184,175
	1919	2,083,417	441,913	760,481	633,672	847,341

fats and oils by years and three-month periods: 1919 and 1920.

412

Item.	Year.	Consumption (pounds).				
		Total.	Jan. 1 to Mar. 31.	Apr. 1 to June 30.	July 1 to Sept. 30.	Oct. 1 to Dec. 31.
VEGETABLE OILS.						
Cottonseed, crude	1920	1,133,399,749	422,783,257	192,411,570	63,185,049	455,019,873
	1919	1,316,151,550	423,110,879	322,141,360	103,009,791	467,889,520
Cottonseed, refined	1920	680,190,966	164,417,872	116,477,881	183,159,380	216,135,833
	1919	900,607,773	187,303,109	309,935,131	149,376,799	253,992,734
Peanut, crude and virgin	1920	85,067,507	15,166,028	25,623,881	28,779,358	15,498,240
	1919	212,353,312	43,732,812	78,580,176	68,305,520	21,734,804
Peanut, refined	1920	79,291,163	10,396,466	10,819,415	35,366,422	22,708,860
	1919	190,176,290	28,323,402	62,714,122	64,475,154	34,663,612
Coconut or copra, crude	1920	294,098,972	98,501,102	73,475,341	55,623,154	66,499,375
	1919	422,257,005	42,362,991	122,401,742	146,995,809	110,496,463
Coconut or copra, refined	1920	236,102,679	69,622,246	58,089,284	53,119,289	55,271,860
	1919	212,216,696	48,351,688	46,425,672	52,502,521	63,936,815
Corn, crude	1920	89,633,917	27,997,779	22,211,008	25,272,453	14,152,677
	1919	90,767,427	19,391,886	22,053,012	24,225,990	25,126,539
Corn, refined	1920	20,883,297	7,187,749	5,780,934	5,761,167	2,153,447
	1919	18,591,820	1,468,937	4,387,379	5,806,110	6,929,394
Soya-bean, crude	1920	120,084,529	55,968,243	28,066,158	21,578,693	14,470,435
	1919	224,635,361	41,388,038	50,432,381	87,242,185	45,572,757
Soya-bean, refined	1920	36,524,574	12,335,866	9,107,017	8,193,452	6,888,239
	1919	105,780,776	17,707,674	30,364,038	38,325,043	20,383,421
Olive, crude and virgin	1920	2,001,435	565,790	597,820	497,116	342,709
	1919	1,498,884	118,535	351,964	435,697	591,688
Olive, refined	1920	1,120,928	160,225	307,444	494,213	159,046
	1919	1,011,841	113,298	135,155	483,545	279,843
Palm-kernel, crude	1920	1,334,017	175,830	147,334	663,733	347,120
	1919	1,764,671	81,189	358,675	897,876	426,931
Palm-kernel, refined	1920	335,651	7,043	29,609	274,191	24,808
	1919	244,038	49,751	13,448	173,635	7,204
Rapeseed	1920	11,127,280	3,210,839	2,616,967	2,312,102	2,987,372
	1919	10,110,674	1,980,101	2,557,411	2,086,475	3,486,687
Linseed	1920	214,203,046	58,219,239	57,943,556	57,308,612	40,730,639
	1919	189,145,649	35,445,224	50,529,147	52,032,833	51,138,445
Chinese wood or tung	1920	46,381,235	13,901,988	12,845,001	11,866,648	7,767,598
	1919	34,166,655	5,977,393	7,523,961	10,100,522	10,558,779
Castor	1920	6,527,908	2,522,799	1,846,393	1,376,150	782,566
	1919	5,642,505	1,065,780	996,668	1,605,193	1,974,854
Palm	1920	24,791,212	6,785,557	4,948,016	5,966,028	7,491,611
	1919	18,450,532	471,386	2,076,085	6,786,662	9,116,399
Chinese vegetable tallow	1920	3,157,215	800,523	970,686	871,269	514,737
	1919	3,654,682	1,090,803	603,433	758,158	602,288
All other vegetable oils	1920	12,674,239	3,874,415	3,921,617	2,485,711	2,392,496
	1919	12,611,587	2,286,272	1,471,344	3,665,455	5,188,516

TABLE 1.—*Production and consumption of animal and vegetable fats*

413 Item.	Year.	Production (pounds).				
		Total.	Jan. 1 to Mar. 31.	Apr. 1 to June 30.	July 1 to Sept. 30.	Oct. 1 to Dec. 31.
FISH OILS.						
Cod and cod liver	1920	1,470,812	175,115	206,722	544,056	544,919
	1919	968,339	115,765	145,681	225,218	481,675
Menhaden	1920	27,573,401	.....	3,359,662	13,097,733	11,116,006
	1919	12,927,541	.....	875,115	3,890,850	8,061,576
Whale	1920	23,051,811	510,510	14,392,200	5,916,451	2,232,650
	1919	8,712,308	555,096	3,562,346	1,623,186	2,971,680
Herring	1920	2,852,840	9,750	718,170	1,914,285	210,635
	1919	1,431,230	40,560	57,765	172,847	1,160,058
Sperm	1920	3,125,525	9,570	1,051,630	1,837,600	226,725
	1919	649,701	23,408	33,313	43,655	549,325
All other (including marine animals)	1920	7,952,464	3,483,100	214,680	2,973,788	1,280,896
	1919	8,332,412	509,377	652,826	5,972,987	1,197,222
ANIMAL FATS.						
Lard, neutral	1920	77,690,234	25,250,115	23,166,641	12,656,602	16,616,876
	1919	90,031,605	25,185,887	32,913,701	11,332,331	20,599,686
Lard, other edible	1920	1,257,458,481	356,314,850	332,870,677	262,497,688	305,775,266
	1919	1,084,035,935	300,953,496	294,571,880	196,080,182	292,430,377
Tallow, edible	1920	37,353,300	9,403,431	11,320,317	7,949,460	8,680,092
	1919	36,560,019	9,187,290	7,753,884	8,561,211	11,003,634
Tallow, inedible	1920	263,989,589	64,558,024	68,266,696	62,225,995	68,938,874
	1919	251,854,318	67,578,576	55,436,072	62,486,833	66,352,837
Neat's-foot oil	1920	6,212,118	1,933,606	1,221,064	1,569,756	1,487,692
	1919	7,645,514	2,154,564	1,342,221	2,052,354	2,096,375
GREASES.						
White	1920	61,229,115	19,231,788	16,591,516	11,544,489	13,861,322
	1919	60,393,985	19,307,580	16,395,400	10,040,332	14,650,553
Yellow	1920	41,366,445	11,427,634	11,051,679	9,078,139	9,808,993
	1919	42,392,078	13,340,189	10,425,587	9,057,040	9,569,262
Brown	1920	31,860,359	7,552,364	7,674,662	7,839,643	8,793,690
	1919	27,015,802	7,474,423	7,416,578	5,523,170	6,601,631
Bone	1920	29,748,746	6,425,676	7,916,979	7,572,343	7,833,748
	1919	22,523,523	5,495,930	5,518,327	5,403,658	6,105,608
Tankage	1920	99,778,537	26,395,852	24,578,830	24,884,685	23,919,170
	1919	45,310,794	11,366,165	11,632,265	10,518,583	11,793,781
Garbage, or house	1920	53,140,500	12,920,004	14,259,638	12,513,966	13,446,892
	1919	50,822,650	12,710,366	14,064,548	12,538,404	11,509,332
Wool	1920	6,985,212	2,218,957	2,142,886	1,825,258	798,111
	1919	7,903,043	1,421,532	1,954,732	2,382,671	2,144,108
Recovered, or degras	1920	12,870,595	3,195,771	3,690,355	3,125,387	2,859,082
	1919	12,532,834	3,351,415	3,273,679	2,958,165	2,949,575
All other	1920	8,554,833	2,863,066	2,222,135	1,906,239	1,563,393
	1919	9,695,774	2,278,741	1,654,395	2,489,671	3,272,967

and oils by years and three-month periods: 1919 and 1920—Continued.

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Item.	Year.	Consumption (pounds).				
		Total.	Jan. 1 to Mar. 31.	Apr. 1 to June 30.	July 1 to Sept. 30.	Oct. 1 to Dec. 31.
FISH OILS.						
Cod and cod liver	1920	3,683,011	1,488,007	922,000	665,803	607,201
	1919	4,624,070	835,654	1,158,169	1,401,538	1,228,709
Menhaden	1920	18,420,790	5,567,593	4,248,581	4,553,654	4,050,962
	1919	16,357,473	1,540,917	5,085,806	5,797,198	3,933,552
Whale	1920	17,826,827	10,185,553	3,918,877	1,764,358	1,958,039
	1919	9,606,631	662,953	885,531	4,579,413	3,478,724
Herring	1920	3,335,647	263,093	139,975	582,609	2,349,970
	1919	2,732,954	135,835	299,420	1,994,734	303,365
Sperm	1920	1,859,855	402,344	464,964	509,382	483,165
	1919	1,527,879	439,581	197,68[illegible]	450,616	439,997
All other (including marine animals)	1920	3,059,850	499,614	1,102,071	747,208	703,955
	1919	4,313,830	1,408,890	922,413	1,068,547	853,980
ANIMAL FATS.						
Lard, neutral	1920	44,390,390	15,570,459	10,151,429	9,248,278	9,630,224
	1919	70,714,145	19,539,667	23,703,244	11,054,336	16,416,898
Lard, other edible	1920	223,376,745	36,473,550	59,660,024	80,469,929	66,743,242
	1919	218,998,530	54,864,800	79,415,706	28,483,075	56,234,949
Tallow, edible	1920	17,049,020	3,873,795	3,289,181	5,862,043	4,024,001
	1919	22,598,613	5,072,922	4,780,939	6,190,255	6,554,497
Tallow, inedible	1920	310,818,343	78,006,106	90,406,096	84,200,680	58,205,461
	1919	262,341,486	54,008,946	68,847,693	80,701,329	58,783,518
Neat's-foot oil	1920	1,268,490	535,953	292,199	296,116	144,222
	1919	2,579,654	397,380	678,457	657,827	845,990
GREASES.						
White	1920	46,769,399	12,446,059	11,316,870	15,086,977	7,919,493
	1919	51,981,416	6,124,674	16,823,111	18,565,742	10,467,889
Yellow	1920	42,274,025	13,778,512	10,608,113	7,609,832	10,187,568
	1919	35,912,771	8,453,189	8,890,864	9,450,327	9,118,391
Brown	1920	40,436,152	10,667,368	8,456,606	14,936,104	6,376,074
	1919	39,316,615	9,074,745	8,305,777	14,099,234	7,836,859
Bone	1920	5,982,975	1,773,057	1,613,246	1,554,179	1,042,493
	1919	9,672,845	2,219,200	2,629,307	2,308,120	2,516,218
Tankage	1920	7,951,781	1,222,228	2,865,858	2,837,285	1,026,410
	1919	7,436,325	3,675,461	1,026,199	887,232	1,847,433
Garbage, or house	1920	38,298,524	14,626,606	11,399,242	6,953,471	5,319,205
	1919	47,563,784	11,015,971	9,175,599	12,824,848	14,547,366
Wool	1920	1,955,278	439,686	454,894	620,064	440,634
	1919	1,592,023	470,618	372,321	361,390	387,694
Recovered, or degras	1920	7,489,019	1,965,859	1,896,051	1,817,327	1,809,782
	1919	8,067,567	1,847,414	1,781,319	2,048,501	2,390,333
All other	1920	9,933,410	4,615,658	3,065,991	1,169,817	1,081,944
	1919	4,718,252	1,171,399	1,559,829	1,194,507	792,517

TABLE 1.—*Production and consumption of animal and vegetable fats*

415 Item.	Year.	Production (pounds). Total.	Jan. 1 to Mar. 31.	Apr. 1 to June 30.	July 1 to Sept. 30.	Oct. 1 to Dec 31.
DERIVATIVES.						
Acidulated soap stock	1920	85,068,791	23,871,760	30,496,648	8,098,212	22,602,171
	1919	56,322,513	14,590,720	15,240,529	11,895,252	14,596,012
Cottonseed foots	1920	184,986,704	74,188,830	51,150,600	19,651,412	39,995,862
	1919	167,047,272	46,182,350	50,747,382	22,768,514	47,349,026
Cottonseed foots, distilled	1920	17,200,016	4,824,135	7,681,204	1,396,259	3,388,418
	1919	29,664,282	9,106,916	10,738,983	3,958,697	5,859,686
Other vegetable foots	1920	44,353,969	17,328,000	5,645,420	11,392,224	9,988,325
	1919	68,990,785	6,594,018	17,366,290	24,778,043	20,252,434
Other vegetable foots, distilled [1]	1920	2,844,127	1,492,284	677,361	526,727	147,755
Fatty acids	1920	45,877,999	8,720,910	11,011,508	9,794,561	16,351,020
	1919	43,338,745	14,097,278	12,215,888	9,616,681	7,408,898
Fatty acids, distilled	1920	89,515,915	24,974,549	25,216,485	24,011,789	15,313,092
	1919	73,424,800	8,931,852	16,640,378	27,310,764	20,541,806
Glycerin, crude, 80 per cent basis	1919	61,792,958	12,577,299	15,074,139	20,481,266	13,660,254
	1920	54,688,295	15,341,639	13,700,580	14,686,578	10,959,498
Glycerin, dynamite	1920	31,571,047	5,629,221	8,481,591	9,246,797	8,213,438
	1919	25,655,394	6,410,454	6,434,181	7,936,956	4,873,803
Glycerin, chemically pure	1920	32,859,844	11,010,581	8,031,912	8,090,178	5,727,173
	1919	36,692,530	8,572,473	7,040,022	9,267,886	11,812,149
Hydrogenated oils	1920	180,536,870	42,149,637	24,945,964	51,006,121	62,435,149
	1919	120,444,589	10,210,225	17,966,433	21,513,257	70,754,674
Lard oil	1920	22,240,907	7,263,849	5,690,045	5,226,100	4,060,913
	1919	18,331,623	5,831,940	4,975,685	2,472,065	5,051,933
Oleo oil, edible	1920	132,111,662	36,153,764	35,409,498	27,763,950	32,784,450
	1919	129,863,250	33,848,957	34,727,256	30,000,457	31,286,580
Red oil	1920	43,035,871	15,913,137	11,619,658	7,757,647	7,745,429
	1919	42,744,916	10,139,083	10,502,301	10,408,185	11,695,347
Stearic acid	1920	24,372,395	7,007,341	6,373,689	4,961,571	6,029,794
	1919	22,920,184	6,071,611	5,963,881	4,837,775	6,046,917
Animal stearin, edible	1920	68,955,235	18,576,498	15,800,726	15,631,143	18,946,868
	1919	68,086,582	16,850,539	16,954,127	16,044,393	18,237,523
Animal stearin, inedible	1920	18,451,267	6,230,332	5,596,206	3,614,122	3,011,606
	1919	20,538,453	6,961,951	5,199,897	3,655,149	4,721,456
Tallow oil	1920	14,597,874	3,546,337	3,133,995	3,161,868	4,755,674
	1919	11,889,220	1,694,140	2,089,270	4,429,006	3,676,804
Vegetable stearin	1920	20,438,800	6,622,813	4,270,027	3,489,111	6,056,849
	1919	29,295,285	4,063,749	9,728,837	8,451,238	7,051,461
Miscellaneous soap stock	1920	24,114,776	17,475,092	5,154,440	1,174,390	310,854
	1919	31,917,317	4,748,134	7,240,102	9,875,725	10,053,356

[1] Data not collected in 1919.

and oils by years and three-month periods: 1919 and 1920—Continued.

116 Item.	Year.	Consumption (pounds).				
		Total.	Jan. 1 to Mar. 31.	Apr. 1 to June 30.	July 1 to Sept. 30.	Oct. 1 to Dec. 31.
DERIVATIVES.						
Acidulated soap stock	1920	74,903,951	12,706,456	28,729,494	19,152,264	14,225,737
	1919	47,512,529	5,995,474	12,946,033	13,706,867	14,864,155
Cottonseed foots	1920	163,816,548	52,449,182	45,963,152	34,332,723	31,071,491
	1919	171,078,556	40,164,513	51,324,891	45,106,680	34,482,472
Cottonseed foots, distilled	1920	23,365,565	7,002,747	6,490,969	5,384,265	4,487,584
	1919	27,673,913	7,168,941	10,048,808	4,703,012	5,753,152
Other vegetable foots	1920	33,465,629	13,083,407	3,644,636	6,944,417	9,793,169
	1919	43,296,964	4,434,064	13,626,698	14,905,168	10,321,034
Other vegetable foots, distilled [1]	1920	224,557	8,000	10,800	194,957	10,800
Fatty acids	1920	52,666,784	11,545,643	15,171,369	11,129,657	14,820,115
	1919	50,509,190	13,949,000	13,839,418	14,099,188	8,621,584
Fatty acids, distilled	1920	67,677,423	23,703,865	17,868,229	15,277,439	10,827,890
	1919	49,361,875	7,274,024	13,792,687	16,617,868	11,677,296
Glycerin, crude, 80 per cent basis	1920	62,515,030	16,310,512	15,072,030	16,741,904	14,390,584
	1919	58,974,041	12,226,285	11,025,313	18,868,366	16,854,077
Glycerin, dynamite	1920	37,720,333	10,197,500	9,642,773	10,034,030	7,846,030
	1919	28,961,873	5,824,467	5,804,101	7,832,751	9,500,554
Glycerin, chemically pure	1920	2,714,350	960,161	566,403	628,493	559,293
	1919	1,745,538	620,510	274,349	547,701	302,978
Hydrogenated oils	1920	35,119,614	8,419,020	6,182,910	10,856,160	9,661,524
	1919	53,391,181	7,762,951	15,117,748	14,896,377	15,814,105
Lard oil	1920	9,653,759	3,881,757	2,425,112	1,923,729	1,423,161
	1919	10,250,962	2,496,107	2,894,287	2,898,794	1,961,774
Oleo oil, edible	1920	65,732,832	16,101,901	17,373,481	16,648,064	15,609,386
	1919	72,935,413	19,825,499	17,923,817	17,009,786	18,176,311
Red oil	1920	17,533,530	6,034,337	4,211,034	4,116,215	3,171,944
	1919	21,896,062	4,127,751	6,350,295	6,037,458	5,380,558
Stearic acid	1920	6,319,353	1,553,339	1,693,937	1,626,909	1,445,168
	1919	5,567,664	1,503,168	1,210,847	1,222,870	1,630,779
Animal stearin, edible	1920	48,901,313	11,005,117	12,522,762	14,033,829	11,339,605
	1919	47,253,920	13,111,915	14,865,884	7,310,850	11,965,271
Animal stearin, inedible	1920	18,539,481	6,189,313	5,057,499	4,123,126	3,169,543
	1919	28,060,502	8,263,375	6,931,026	6,449,005	6,417,096
Tallow oil	1920	39,815,401	14,133,408	11,484,279	8,649,651	5,548,063
	1919	49,984,263	9,140,822	19,756,588	16,261,642	4,825,211
Vegetable stearin	1920	19,452,817	5,097,399	2,842,147	5,098,555	6,414,716
	1919	32,586,358	3,387,817	13,610,794	6,985,709	8,602,038
Miscellaneous soap stock	1920	36,018,552	12,120,088	12,087,416	7,486,112	4,324,936
	1919	33,983,892	4,190,714	3,788,501	10,378,507	15,626,170

[1] Data not collected in 1919.

TABLE 2.—*Stocks of animal and vegetable fats and oils on specified dates: 1919 and 1920.*

417 Item.	Year.	Stocks (pounds). Mar. 31.	June 30.	Sept. 30.	Dec. 31.
VEGETABLE OILS.					
Cottonseed, crude	1920	142,724,123	45,506,682	33,357,395	156,801,104
	1919	166,093,276	56,001,359	45,556,520	177,430,967
Cottonseed, refined	1920	348,890,856	326,069,628	170,688,673	274,375,936
	1919	301,087,328	188,738,513	89,732,113	201,680,041
Peanut, crude and virgin	1920	45,571,012	32,691,153	33,165,513	21,988,612
	1919	41,461,273	21,019,149	18,076,013	15,597,108
Peanut, refined	1920	10,687,373	26,388,623	15,377,170	8,699,153
	1919	25,534,521	17,804,927	18,168,206	5,813,783
Coconut or copra, crude	1920	87,286,682	100,592,951	101,218,789	84,008,974
	1919	228,368,526	167,422,505	114,738,622	110,349,166
Coconut or copra, refined	1920	28,691,522	28,744,820	28,993,419	28,148,520
	1919	36,915,612	39,725,376	39,124,828	24,067,902
Corn, crude	1920	7,270,804	6,703,161	6,844,651	5,537,445
	1919	7,560,079	10,792,400	7,554,195	6,199,358
Corn, refined	1920	15,683,926	13,464,390	11,994,173	11,620,689
	1919	6,562,684	3,015,237	12,716,232	11,571,780
Soya-bean, crude	1920	26,418,507	28,331,078	24,969,279	22,857,708
	1919	138,484,690	114,186,298	73,248,097	56,022,318
Soya-bean, refined	1920	15,656,127	11,039,750	12,955,503	7,882,631
	1919	39,527,732	23,153,894	20,569,834	12,036,151
Olive, crude and virgin	1920	3,170,131	4,106,232	4,239,373	6,884,123
	1919	432,428	5,089,235	4,959,617	7,443,016
Olive, refined	1920	4,404,552	4,464,931	3,260,762	2,761,924
	1919	2,069,193	8,779,599	4,785,391	899,604
Palm-kernel, crude	1920	261,542	767,131	551,896	1,596,404
	1919	2,146,340	1,615,815	498,305	712,792
Palm-kernel, refined	1920	1,973	71,859	53,658	28,600
	1919	68,904	108,057	99,581	4,872
Rapeseed	1920	5,379,819	2,712,411	4,031,516	3,901,431
	1919	12,371,489	15,182,988	8,785,320	5,613,178
Linseed	1920	67,842,497	64,371,199	77,502,658	104,110,910
	1919	74,117,410	54,095,151	52,082,945	81,406,206
Chinese wood or tung	1920	18,010,049	15,697,871	21,256,957	20,484,902
	1919	14,023,408	10,565,006	8,765,787	14,846,323
Castor	1920	3,379,440	3,172,432	3,876,177	4,998,023
	1919	3,402,024	6,137,992	3,384,678	3,921,585
Palm	1920	7,643,481	6,038,736	8,904,173	4,687,980
	1919	1,271,705	2,089,866	16,520,721	8,018,447
Chinese vegetable tallow	1920	2,087,108	1,129,238	402,327	255,231
	1919	485,750	1,224,388	1,025,705	1,598,141
All other vegetable oils	1920	5,561,162	7,187,590	7,370,829	6,575,306
	1919	9,539,053	4,784,086	5,772,861	5,441,356
418 FISH OILS.					
Cod and cod liver	1920	1,768,921	1,741,484	1,614,742	2,956,251
	1919	2,022,291	2,800,575	1,738,685	2,305,032
Menhaden	1920	12,515,977	10,540,604	18,192,073	22,640,178
	1919	10,322,343	5,840,801	14,229,462	18,329,923
Whale	1920	5,372,343	7,688,835	11,991,712	12,828,133
	1919	6,574,438	10,503,653	8,727,036	7,761,189
Herring	1920	4,058,704	4,330,328	6,814,739	10,598,881
	1919	4,754,359	7,988,887	5,258,196	7,795,344
Sperm	1920	6,574,562	3,809,444	4,713,043	6,994,030
	1919	9,348,254	2,765,793	4,092,672	7,126,956
All other (including marine animals)	1920	9,818,203	2,656,256	6,388,004	4,292,872
	1919	14,585,526	9,658,678	9,072,462	4,832,646
ANIMAL FATS.					
Lard, neutral	1920	9,022,357	11,313,109	5,066,601	4,700,019
	1919	11,912,173	8,238,203	4,479,307	3,675,663
Lard, other edible	1920	122,819,952	151,421,961	95,379,471	59,807,833
	1919	79,001,572	77,100,454	58,949,700	54,971,994
Tallow, edible	1920	4,212,638	4,938,330	4,332,071	5,196,956
	1919	5,183,335	3,784,307	5,960,875	6,308,309
Tallow, inedible	1920	60,038,109	60,608,754	56,730,796	79,125,174
	1919	70,294,974	53,754,425	44,278,864	55,853,316
Neat's-foot oil	1920	1,050,387	1,512,012	1,595,919	2,259,762
	1919	3,271,537	1,798,105	2,027,342	1,437,633
GREASES.					
White	1920	13,202,381	13,592,222	7,961,701	8,335,502
	1919	18,185,090	16,352,907	5,599,774	20,672,791
Yellow	1920	7,049,356	8,891,494	9,021,019	13,256,873
	1919	11,356,840	14,707,043	6,994,837	6,203,970
Brown	1920	5,784,142	11,798,237	12,712,114	14,005,867
	1919	9,116,629	10,718,611	9,542,715	3,427,969

E 2.—*Stocks of animal and vegetable fats and oils on specified dates: 1919 and 1920*—Continued.

Item.	Year.	Stocks (pounds).			
		Mar. 31.	June 30.	Sept. 30.	Dec. 31.
GREASES—continued.					
.....	1920	3,174,690	3,975,797	5,304,744	8,806,947
	1919	6,846,288	4,404,623	3,935,314	3,361,130
age.....	1920	7,119,378	9,189,389	12,629,595	17,688,400
	1919	18,131,946	9,165,307	9,161,516	6,341,451
age, or house.....	1920	8,880,649	12,537,287	11,719,242	21,903,677
	1919	12,944,015	13,806,363	12,841,234	7,665,052
.....	1920	1,571,890	1,592,973	1,440,166	1,467,813
	1919	2,338,932	2,247,058	1,593,405	1,166,914
vered, or degras.....	1920	1,657,277	1,746,376	1,668,905	1,701,936
	1919	1,763,108	1,309,443	1,814,605	2,196,973
ther.....	1920	6,487,717	3,601,060	3,578,324	3,724,659
	1919	6,086,852	2,617,276	2,343,265	2,534,024
DERIVATIVES.					
ulated soap stock.....	1920	21,821,804	22,296,913	17,657,782	25,822,043
	1919	22,011,012	21,876,430	13,783,256	15,296,342
onseed foots.....	1920	28,894,201	33,891,733	14,792,308	18,155,817
	1919	44,064,894	47,674,420	25,937,776	32,967,126
onseed foots, distilled.....	1920	5,707,489	8,291,707	6,783,140	7,760,908
	1919	13,900,520	13,339,878	7,624,672	9,654,981
er vegetable foots.....	1920	3,971,219	1,846,877	4,398,045	3,287,348
	1919	8,584,729	13,406,635	16,054,560	4,830,776
er vegetable foots, distilled [1].....	1920	968,044	968,576	924,198	2,250
y acids.....	1919	4,860,830	5,913,228	6,365,258	6,404,091
	1920	6,259,343	7,690,155	9,956,662	6,065,837
ty acids, distilled.....	1919	4,329,325	6,187,185	7,181,491	5,741,154
	1920	6,920,941	4,697,839	6,083,407	7,833,613
cerin, crude, 80 per cent basis.....	1919	6,062,212	6,957,035	6,073,742	5,081,095
	1920	4,246,635	6,324,304	5,491,319	2,426,790
cerin, dynamite.....	1919	5,375,591	8,135,016	10,962,045	11,801,835
	1920	9,931,983	8,984,457	7,067,155	5,494,176
cerin, chemically pure.....	1919	3,552,708	3,350,025	3,041,274	2,767,835
	1920	2,487,477	1,952,521	2,365,039	4,120,090
drogenated oils.....	1919	23,243,378	14,891,936	15,484,859	18,670,513
	1920	7,790,632	13,076,335	12,916,989	17,258,230
rd oil.....	1919	3,152,910	4,046,910	3,472,046	4,394,346
	1920	5,235,355	5,021,288	3,879,816	3,203,884
so oil, edible.....	1919	20,856,364	26,649,379	14,374,868	17,168,691
	1920	20,667,707	18,148,291	16,992,513	15,822,507
d oil.....	1919	5,820,040	7,376,352	7,435,456	10,289,752
	1920	9,831,417	9,445,090	5,115,729	4,865,231
aric acid.....	1919	4,063,497	4,051,159	3,087,581	5,870,931
	1920	6,207,900	3,639,759	2,177,750	3,170,080
imal stearin, edible.....	1919	10,619,152	10,601,843	4,345,028	7,347,304
	1920	6,577,560	6,384,828	8,023,942	9,369,622
imal stearin, inedible.....	1919	4,531,075	3,368,324	3,184,217	3,439,790
	1920	5,118,347	4,406,294	4,172,608	5,035,146
allow oil.....	1919	2,924,211	2,313,320	3,090,430	5,900,997
	1920	15,296,962	12,837,489	1,992,132	4,711,893
getable stearin.....	1919	5,282,593	5,700,313	3,217,700	3,414,585
	1920	2,252,868	3,395,365	4,360,517	4,157,549
iscellaneous soap stock.....	1919	2,355,462	4,571,057	3,262,102	1,165,254
	1920	7,479,506	8,364,413	4,612,668	12,100,583

[1] Data not collected in 1919.

420 TABLE 3.—*Raw materials used in producing vegetable oils, by years and three-month periods, and stocks on specified dates: 1919 and 1920.*

Item.	Year.	Consumed (tons).					Stocks (tons).			
		Total.	Jan. 1 to Mar. 31.	Apr. 1 to June 30.	July 1 to Sept. 30.	Oct. 1 to Dec. 31.	Mar. 31.	June 30.	Sept. 30.	Dec. 13.
Cotton seed	1920	3,692,449	1,346,221	295,476	179,055	1,871,697	215,872	36,044	135,623	593,507
	1919	4,011,667	960,997	650,572	295,417	2,103,681	306,609	38,157	231,139	636,148
Peanuts, hulled	1920	11,919	1,709	2,276	3,716	4,218	129,474	809	1,330	1,064
	1919	141,704	79,973	58,760	2,279	692	37,152	5,992	417	1,031
Peanuts, in the hull	1920	11,254	370	1,193	2,311	7,380	28,260	2,180	1,745	7,618
	1919	3,318	(1)	(1)	2,174	1,144	(1)	(1)	1,789	22,383
Copra	1920	101,104	30,921	23,808	25,784	20,591	19,901	9,366	6,786	6,606
	1919	168,612	31,821	49,746	46,519	40,526	23,927	34,455	21,760	8,594
Coconuts and skins	1920	1,893	399	614	410	470	14	146	137	37
	1919	2,521	624	710	694	493	55	189	144	20
Corn germs	1920	145,578	46,987	37,163	41,105	20,323	915	430	415	382
	1919	146,579	34,874	37,569	37,639	36,497	229	338	1,976	823
Olives	1920	2,131	1,201	.....	.....	930	10	.....	.....	213
	1919	1,712	1,253	.....	.....	459	.....	.....	.....	105
Flaxseed	1920	717,528	177,397	179,402	183,168	177,561	46,484	74,539	62,485	115,302
	1919	691,737	136,416	147,010	193,173	215,138	24,580	32,995	30,731	31,107
Castor beans	1920	28,011	8,893	7,476	7,077	4,565	2,869	4,238	4,901	5,547
	1919	26,489	4,107	8,855	6,270	7,257	2,164	1,859	4,003	6,700
Palm kernels	1920	2,934	696	755	323	1,160	.....	8	726	978
	1919	2,862	188	966	129	1,579	624	316	1,595	.....
Rapeseed	1920	1,238	310	515	345	68	122	50	135	67
	1919	3,391	559	947	1,134	751	737	296	50	177
Mustard seed	1920	3,143	1,227	928	688	300	940	577	524	1,220
	1919	3,503	957	855	783	908	304	376	501	484
Miscellaneous	1920	966	122	219	525	100	14	560	115	50
	1919	3,607	47	898	678	1,984	5	571	12	622

[1] Included with "Peanuts hulled."

TABLE 4.—*Imports and reexports of foreign animal and vegetable fats and oils, by years and three-month periods 1919 and 1920.*

Item.	Year.	Imports (pounds).					Exports (pounds).				
		Total.	Jan. 1 to Mar. 31.	Apr. 1 to June 30.	July 1 to Sept. 30.	Oct. 1 to Dec. 31.	Total.	Jan. 1 to Mar. 31.	Apr. 1 to June 30.	July 1 to Sept. 30.	Oct. 1 to Dec. 31.
Vegetable oils:											
Chinese nut	1920	68,668,150	19,771,222	20,991,258	18,992,662	8,913,008	2,883,367	738,960	449,370	995,715	699,322
	1919	53,852,595	8,287,695	6,025,095	13,803,442	25,736,363	2,493,285	698,880	1,036,470	464,767	293,168
Coconut	1920	215,238,518	65,168,018	63,503,013	50,536,638	36,030,847	2,965,209	2,031,308	340,845	354,688	238,368
	1919	281,063,213	91,720,207	46,474,489	66,631,196	76,237,321	7,954,528	21,658	6,137,384	1,569,628	225,858
Cotton seed	1920	9,457,924	3,717,689	5,093,356	487,180	159,699	33,995			33,320	675
	1919	27,805,784	6,290,322	6,161,686	8,072,801	7,280,975	210,759		210,759		
Linseed or flaxseed	1920	35,200,199	19,402,620	5,810,415	7,867,702	2,119,462	1,455	705		750	
	1919	16,142,835	1,601,040	5,626,897	1,579,958	7,334,940	53,212		12,217	33,495	7,500
Olive, inedible	1920	496,118	88,410	274,088	74,220	59,400	36,510		36,510		
	1919	2,118,405		859,815	435,218	823,372					
Olive, edible	1920	30,591,061	6,726,990	8,235,255	9,375,698	6,253,118	452,099	124,800	195,405	86,572	45,292
	1919	67,681,020	6,083,932	25,464,862	23,690,258	12,441,968	485,078	8,760	105,983	142,065	228,270
Palm	1920	41,948,224	13,444,540	9,507,473	11,418,096	7,578,115	136,045		108,640	15,405	12,000
	1919	41,817,945	4,781,980	9,822,641	23,992,766	3,220,608	254,103	1,483	80,021	123,350	49,249
Palm kernel	1920	1,693,740		58,508	1,403,651	236,581	2,010	135	1,875		
	1919	1,929,493		1,929,493			5,000		5,000		
Peanut	1920	95,124,277	34,651,995	43,710,277	15,390,180	1,371,825	29,295	5,220	8,010	4,927	11,138
	1919	154,052,378	31,668,600	35,263,328	67,495,882	19,624,568	92,325	8,235	5,310	2,415	76,365
Rapeseed	1920	12,912,667	2,691,150	4,378,950	4,161,652	1,680,915					
	1919	8,375,295	5,214,638	1,009,312	559,080	1,592,265	840	840			
Soya bean	1920	112,213,750	40,925,607	38,730,150	28,207,378	4,350,615	3,228,358	1,794,829	931,533	376,384	125,612
	1919	195,808,421	58,288,383	21,402,201	68,344,869	47,772,968	17,833,426	1,906,371	8,838,659	5,910,500	1,177,896
Sulphur oil, or olive foots	1920	8,664,517	524,683	3,957,220	3,526,066	656,548	24,736		14,500	400	9,836
	1919	6,541,271		613,665	4,226,677	1,700,929	155,702			68,202	87,500
All other vegetable (value)	1920	$635,700	$135,055	$213,994	$85,776	$200,875	$97,876	$62,279	$24,453	$10,278	$498
	1919	$2,558,259	$572,542	$212,626	$978,317	$794,774	$57,211	$11,535	$9,046	$13,576	$23,054
422 Animal fats and oils: Cod and cod liver	1920	11,173,418	3,388,365	3,244,950	2,640,633	1,899,465	93,908	4,080	22,305	19,148	48,375
	1919	10,409,258	975,293	1,492,102	2,410,223	5,531,640	409,268	383,888	3,742	16,250	5,288
Tallow	1920	14,934,637	1,817,693	2,250,892	5,272,501	5,593,551					
	1919	12,096,189	630,638	4,782,699	1,487,915	5,194,937					
All other animal	1920	5,639,648	1,638,262	2,566,478	570,518	864,390	62,693	8,378		54,090	225
	1919	9,190,260	3,185,213	503,783	2,813,003	2,688,261	31,792	45	27,817	3,832	98
Derivatives: Glycerin, crude	1920	22,411,025	4,664,680	7,757,824	6,155,062	3,843,459	44,000			44,000	
	1919	3,813,630	33,339	536,332	1,140,267	2,103,692					
Oleo stearin	1920	962,657	315,694	235,511	302,038	109,414					
	1919	2,358,446	37,578	1,564,236	218,088	538,544					
Grease and oils, not elsewhere specified	1920	26,322,921	9,549,914	4,657,066	6,495,589	5,650,358					
	1919	33,871,038	5,367,456	10,934,778	6,898,013	10,680,791	250		226,227	1,417	250
							323,997				96,353

TABLE 5.—*Exports of domestic animal and vegetable fats and oils, by years and three-month periods: 1919 and 1920.*

423 Item.	Year.	Total (pounds).	Jan. 1 to Mar. 31 (pounds).	Apr. 1 to June 30 (pounds).	July 1 to Sept. 30 (pounds).	Oct. 1 to Dec. 31 (pounds).
VEGETABLE OILS.						
Coconut oil	1920	25,694,345	15,663,821	6,812,484	2,004,136	1,213,904
	1919	[1] 118,611,743	(1)	(1)	67,642,744	50,968,999
Corn oil	1920	12,059,479	1,676,122	5,368,710	1,282,150	3,732,497
	1919	6,414,904	212,206	764,851	3,204,467	2,233,380
Cottonseed oil	1920	184,753,824	59,369,600	42,402,075	11,193,629	71,788,520
	1919	193,133,201	78,285,251	57,220,107	25,038,842	32,589,001
Linseed or flaxseed oil	1920	5,365,875	1,314,990	1,840,155	1,021,110	1,189,620
	1919	11,266,335	4,052,298	1,845,780	2,676,052	2,692,205
Peanut oil	1920	1,425,225	574,630	5,853	183,461	661,281
	1919	[1] 4,341,803	(1)	(1)	2,407,995	1,933,808
Soya bean oil	1920	43,511,862	15,615,913	24,451,297	1,250,450	2,194,202
	1919	[1] 27,714,764	(1)	(1)	11,204,171	16,510,593
All other vegetable oils (value).	1920	1,884,435	$593,532	$583,048	$350,284	$357,571
	1919	$18,507,128	$2,275,288	$14,149,836	$1,107,392	$974,612
ANIMAL FATS AND OILS.						
Fish oil	1920	3,212,189	1,427,153	1,109,572	279,952	395,512
	1919	8,141,632	199,808	649,965	3,164,542	4,127,317
Lard	1920	612,249,951	144,898,593	141,372,401	124,408,577	201,570,380
	1919	760,901,611	204,062,552	255,885,504	154,184,976	146,768,579
Neutral lard	1920	23,238,071	4,692,192	9,640,364	4,932,757	3,972,758
	1919	22,957,137	3,796,767	10,290,899	6,070,864	2,798,607
Tallow	1920	20,691,638	5,102,563	3,587,251	5,234,223	6,767,601
	1919	38,953,783	2,269,258	12,437,313	17,716,209	6,531,003
All other animal oils	1920	4,045,267	1,624,778	1,090,650	576,307	753,532
	1919	14,621,940	2,544,502	3,899,198	5,393,970	2,784,270
DERIVATIVES.						
Glycerin	1920	1,742,708	713,706	280,690	479,779	268,533
	1919	3,963,392	1,547,099	1,153,066	813,438	449,789
Lard oil	1920	666,892	193,508	171,022	129,202	173,160
	1919	1,086,914	176,340	343,372	391,380	175,822
Oleo oil	1920	74,368,344	13,625,224	22,332,439	13,395,387	25,015,294
	1919	75,585,164	14,160,239	22,853,094	18,656,086	19,915,745
Stearin from animal fats	1920	17,512,978	5,914,617	4,523,064	2,908,665	4,166,632
	1919	20,854,724	2,434,112	6,352,691	5,337,888	6,730,033
Vegetable stearin	1920	1,810,518	819,325	549,005	111,528	330,660
	1919	4,158,736	25,257	363,584	1,780,772	1,989,123
Soap stock and other grease (value).	1920	$6,697,811	$1,517,994	$2,622,709	$1,254,091	$1,303,017
	1919	$6,656,035	$554,177	$1,247,958	$2,939,993	$1,913,907

[1] The total is for the six months beginning July 31, the item not being reported separately prior to that time. The value of the quantity exported during the first two quarters of 1919 is included in the item "All other vegetable oils."

424 PLAINTIFF'S EXHIBIT 9.

[Armstrong Bureau of Related Industries, 11 S. La Salle St., Chicago.]

The attached tabulation shows the number of gallons of linseed oil sold during the period of October 1, 1918–June 26, 1920, inclusive, as reported through the bureau. This tabulation has been compiled from the weekly sales reports.

The sales into each zone are tabulated separately.

Under each zone are listed the sales of oil made by each subscriber during every week of the period which the report covers. The subscribers are identified by the following key numbers, which are shown in the first column at the left of each sheet. The dates are shown across the top.

1. American Linseed Company.
2. Ankeney Linseed Mfg. Company.
3. Archer-Daniels Linseed Company.
4. William O. Goodrich Company.
5. Hirst & Begley Linseed Company.
6. Midland Linseed Products Company.
7. Minnesota Linseed Oil Company.
8. National Lead Company.
9. Northern Linseed Oil Company.
10. Red Wing Linseed Oil Company.
11. The Sherwin-Williams Company.
12. Spencer Kellogg & Sons (Inc.).
13. The Toledo Seed & Oil Company.
14. The Mann Bros. Company.

Each subscribed's sales are divided as follows: S=Spot, F=Future, U=Unmarked (i. e., sales for which no time of delivery was given in the sales reports).

Sales in special cities, listed below, have been grouped together and handled in the same manner as a zone.

Richmond.
Memphis.
Norfolk.
Lincoln.
Ft. Smith.

Sales made to other council members have been tabulated separately.

425 [Armstrong Bureau of Related Industries.]

ZONE # 1.—*Oil sales (taken from weekly sales reports).*

		1918—Week ending—								
		10/5	10/12	10/19	10/26	11/2	11/9	11/16	11/23	11/30
Sub. #1	S.	9,700	17,328	11,161	8,589	15,804	10,789	11,062	13,134	11,144
	F.	550	8,000	750	11,500	18,000	45,000	.....	250	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #2	S.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	2,760	2,907	3,889	3,402	2,188	2,406	883	1,924	706
Sub. #3	S.	1,500	.....	.....	.....	2,950	5,950	1,750	1,550	1,000
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	2,450	800	.....	.....	.....	.....	.....	.....
Sub. #4	S.	.....	.....	2,650	.....	750	550	350	300	550
	F.	.....	.....	.....	.....	.....	2,950	.....	.....	.....
	U.	1,750	600	.....	100	.....	.....	.....	.....	.....
Sub. #5	S.	.....	6,150	6,400	2,200	8,150	3,750	2,600	9,600	.....
	F.	.....	.....	.....	36,900	.....	.....	.....	.....	.....
	U.	4,650	.....	.....	.....	.....	.....	.....	.....	16,800
Sub. #6	S.	.....	6,050	6,950	30,650	20,500	13,750	2,950	6,900	5,750
	F.	.....	.....	.....	10,000	4,400	6,250	21,500	50	.....
	U.	5,050	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #7	S.	.....	.....	.....	.....	.....	2,265	149	334	.....
	F.	.....	.....	.....	.....	.....	6,000	.....	.....	.....
	U.	714	1,512	357	5,274	414	.....	.....	.....	.....
Sub. #8	S.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #9	S.	.....	.....	.....	9,187	383	979	405	307	.....
	F.	.....	.....	.....	18,200	.....	12,500	.....	.....	.....
	U.	953	1,846	980	.....	.....	.....	.....	.....	.....
Sub. #10	S.	.....	.....	3,975	8,000	2,200	2,625	750	550	350
	F.	.....	.....	.....	.....	12,500	6,250	.....	.....	.....
	U.	1,225	2,525	.....	750	.....	.....	.....	.....	.....
Sub. #11	S.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #12	S.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	F.	.....	.....	38,675	133,200	16,500	12,500	.....	3,500	.....
	U.	4,700	13,100	.....	77,850	.....	37,175	3,375	4,025	2,300
Sub. #14	S.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....

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		1918—Week ending—				1919—Week ending—				
		12/7	12/14	12/21	12/28	1/4	1/11	1/18	1/25	2/1
Sub. #1	S.	6,712	8,144	9,605	3,425	5,130	5,740	10,012	11,183	16,502
	F.	1,650	5,000	5,000	.....	15,350	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #2	S.	.....	.....	.....	.....	150	312	274	865	1,600
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	596	714	157	221	.....	98	.....	.....	.....
Sub. #3	S.	1,150	1,750	4,000	1,350	2,650	4,300	5,750	2,300	2,100
	F.	.....	.....	.....	.....	.....	.....	.....	8,000	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #4	S.	250	300	750	.....	250	.....	100	1,800	300
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	750	.....	.....	.....
Sub. #5	S.	4,000	14,600	4,850	5,300	5,175	27,700	7,800	31,000	51,700
	F.	.....	.....	.....	.....	.....	.....	8,000	.....	14,000
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #6	S.	4,000	6,700	4,150	11,950	4,250	7,850	3,050	84,400	15,850
	F.	6,600	18,400	1,400	.....	550	4,400	74,900	8,750	1,150
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #7	S.	.....	.....	445	51	397	52	4,280	147	506
	F.	.....	2,500	.....	.....	.....	.....	.....	.....	500
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #8	S.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #9	S.	258	607	28	.....	469	790	1,432	2,562	953
	F.	.....	.....	.....	.....	.....	.....	.....	500	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #10	S.	1,300	350	200	.....	.....	750	550	9,800	1,950
	F.	.....	.....	.....	.....	.....	100	250	100	3,500
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #11	S.	.....	.....	.....	3,400	8,201	16,280	8,179	.....	24,702
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #12	S.	.....	.....	3,500	.....	.....	5,550	12,550	7,600	14,325
	F.	.....	.....	3,500	.....	.....	.....	3,500	.....	.....
	U.	4,450	5,300	10,050	1,875	4,625	.....	.....	.....	.....
Sub. #14	S.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....

ZONE # 1.—*Oil sales (taken from weekly sales reports)*—Continued.

427		1919—Week ending—								
		2/8	2/15	2/22	3/1	3/8	3/15	3/22	3/29	4/5
Sub. #1	S.	20,291	18,875	32,350	24,825	46,230	15,785	17,815	23,760	25,580
	F.			250	15,000	24,600	3,000	250	6,000	
	U.									
Sub. #2	S.	1,841	6,674	1,783	2,646	4,102	2,382	4,345	3,762	6,462
	F.					28,000				
	U.									
Sub. #3	S.	4,300	3,350	5,100	3,050	4,900		6,050	4,600	6,700
	F.		20,000	12,500		13,850	2,550		3,750	20,000
	U.									
Sub. #4	S.	300	2,100	9,400	4,650	7,150	2,250	4,950	4,350	1,900
	F.		2,500			3,850		750		
	U.									
Sub. #5	S.	18,500	150	10,950	28,700	10,600	6,125	550	38,450	5,075
	F.		15,450		32,000	170,200		41,100		
	U.									9,550
Sub. #6	S.	12,450	7,050	35,800	21,350	28,200	7,550	24,150	35,550	68,300
	F.	800	29,100	33,750	4,100	134,200		49,250	45,900	4,100
	U.									
Sub. #7	S.	3,500	8,366	3,710	4,772	13,758	608	433	1,864	1,035
	F.					14,300				
	U.		255							
Sub. #8	S.									
	F.									
	U.									
Sub. #9	S.	1,199	998	648	1,278	3,625	4,560	779	1,191	2,868
	F.			9,400	1,000	61,800		8,500		
	U.		3,420							
Sub. #10	S.	8,900	5,650	15,200	5,525	28,000	10,200	13,400	15,900	21,750
	F.	150	1,150	3,850	5,500	5,200	4,250	850	4,250	250
	U.									
Sub. #11	S.			8,233	8,225			8,227		16,452
	F.									
	U.									
Sub. #12	S.	8,650	13,225	16,650	38,600	47,700	13,700	20,000	15,375	15,050
	F.				28,300	55,550	8,400	3,400	8,500	9,900
	U.									
Sub. #14	S.									
	F.									
	U.									

428		1919—Week ending—							
		4/12	4/19	4/26	5/3	5/10	5/17	5/24	5/31
Sub. #1	S.	55,250	16,875	37,310	9,139	10,496	27,268	23,401	22,277
	F.	13,850		53,750	1,750	7,250	43,950	12,250	26,800
	U.								
Sub. #2	S.	6,000	3,500	4,250	5,900	3,650	4,000	7,000	22,000
	F.	14,000		14,000			21,000	3,500	
	U.								
Sub. #3	S.	9,350	3,100	9,550	3,750	3,350	4,950	6,350	7,600
	F.	46,250	7,150	139,450	4,250	133,000	31,900	11,100	43,150
	U.								
Sub. #4	S.	1,650	700	600	5,300	650	4,950	3,600	1,800
	F.			35,700		4,000	12,650	3,750	8,750
	U.								
Sub. #5	S.	7,450	3,700	6,200	2,650	18,950	6,300	3,350	12,650
	F.	34,300	3,350	344,550			118,350	16,800	124,150
	U.								
Sub #6	S.	62,400	6,665	8,650	17,700	6,800	16,850		36,900
	F.	66,050	15,200	537,850	26,100	31,400	56,100	78,250	108,000
	U.								
Sub. #7	S.	4,098	744	4,472	50	3,852		6,353	182
	F.	6,800		28,450	3,400		5,497		9,777
	U.			20,000					
Sub. #8	S.								
	F.								
	U.								
Sub #9	S.	1,283	1,875	595	646	834	960	4,218	1,150
	F.	34,000	3,600	108,050				38,000	25,500
	U.								
Sub. #10	S.	29,000	14,700	19,650	11,600	3,700	13,250	5,800	20,600
	F.	4,400	1,300	500					3,500
	U.			27,800		42,650	50,000	87,150	
Sub. #11	S.	8,234					8,238	8,720	
	F.								
	U.								8,133
Sub #12	S.	41,100	6,350	191,650		14,500	13,575	22,350	23,200
	F.	13,700	15,450	16,875	27,775	5,400	87,650	11,825	81,050
	U.								
Sub #14	S.								
	F.								
	U.								

ZONE # 1.—*Oil sales (taken from weekly sales reports)*—Continued.

429		1919—Week ending—								
		6/7	6/14	6/21	6/28	7/5	7/12	7/19	7/26	8/2
Sub. # 1	S.	19,877	16,971	10,799	17,190	44,967	14,412	12,450	27,220	20,725
	F.	61,800	3,800	2,406	6,000	83,900	17,350	12,750	24,050	1,750
	U.									
Sub. # 2	S.	8,800	8,650	8,200	7,500	7,600	8,250	9,800	17,400	5,950
	F.	3,400				8,400				
	U.									
Sub. # 3	S.		7,000	4,850		11,050	4,450	3,350	4,050	3,950
	F.	84,725	26,500	63,150	41,500	74,150	21,200	14,000		3,500
	U.									
Sub. # 4	S.	1,500	4,350	1,200	10,450	50	300	300	2,400	8,950
	F.	3,750	21,300	5,400	25,500	8,000		300	9,250	8,750
	U.									
Sub. # 5	S.	6,900	9,650	3,250	7,800	35,900	7,250	26,950	9,150	4,350
	F.	12,250	49,450	13,000		40,000	7,500	7,500	40,750	1,250
	U.									
Sub. # 6	S.	56,350	25,350	10,700	8,411	25,150	60,000	23,400	29,150	3,900
	F.	49,200	15,850	16,500	46,400	6,500	60,050	51,850	7,250	6,000
	U.									
Sub. # 7	S.		2,691	303	2,915	2,541	7,151	2,526	2,914	843
	F.	6,723	4,298	3,214						
	U.									
Sub. # 8	S.									
	F.									
	U.									
Sub. # 9	S.	10,308	2,370	161	779	1,014	1,414	2,549	610	1,193
	F.	10,000	3,500	5,000			16,200	1,500		
	U.									
Sub. # 10	S.	13,300	9,250	1,400	2,150	6,550	5,400	850	1,250	900
	F.		65,050			56,800				
	U.	11,750			2,750			2,000		25,000
Sub. # 11	S.									
	F.									
	U.	11,750	8,117						80,263	
Sub. # 12	S.	23,275	26,825	18,450	26,500	31,900	18,600	18,975	22,400	31,775
	F.	151,975	29,950	2,800	47,150	98,450	53,350	27,550	16,600	30,000
	U.									
Sub. # 14	S.									
	F.									
	U.									

430		1919—Week ending—								
		8/9	8/16	8/23	8/30	9/6	9/13	9/20	9/27	10/4
Sub. #1	S.	23,180	13,370	22,270	17,110	16,145	24,650	18,115	6,355	8,705
	F.	3,000		1,300	3,600	4,000	250	1,900	6,200	10,250
	U.									
Sub. #2	S.	5,250	5,850	7,000	5,800	4,650	925	4,800	10,000	14,000
	F.									
	U.									
Sub. #3	S.	5,250		11,100	6,550	4,300	21,650	7,850	5,250	4,350
	F.		3,250		50,000	75,900		19,700	32,000	17,900
	U.									
Sub. #4	S.	1,550	4,900	1,800	1,350	8,550	1,651	1,650	1,450	3,500
	F.	1,250	1,000	750	1,150	1,500		1,000	350	58,900
	U.									
Sub. #5	S.	7,900	7,850	16,100	3,650	14,300	5,000	12,450	5,200	7,200
	F.	25,250	40,000	35,250	237,150	15,000			20,500	32,900
	U.									
Sub. #6	S.	10,550	16,000	18,150	6,500	8,900	92,800	12,450	14,600	11,450
	F.	16,100	75,900	139,600	6,150	72,150		14,700	14,500	91,200
	U.									
Sub. #7	S.	2,082	2,446	5,406	1,942	2,413	1,909	2,253	3,747	1,694
	F.				750					
	U.				52,537					
Sub. #8	S.									
	F.									
	U.									
Sub. #9	S.	979	79	2,163	901	4,104	863	6,030	1,029	4,239
	F.					8,000				
	U.									
Sub. #10	S.	2,250	1,200	1,500	1,600	3,250	7,450	3,850	4,250	4,250
	F.									52,400
	U.	10,700		37,500	9,950			6,550		
Sub. #11	S.	8,094.2			7,619.5					16,203.7
	F.									
	U.									
Sub. #12	S.	14,625	16,050	14,200		14,725		19,175	14,550	18,125
	F.	24,000	32,400	18,600	54,475	88,150	38,450	10,200	25,000	52,450
	U.			2,946						
Sub. #14	S.									
	F.									
	U.									

ZONE # 1.—*Oil sales (taken from weekly sales reports)*—Continued.

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		1919—Week ending—							
		10/11	10/18	10/25	11/1	11/8	11/15	11/22	11/29
Sub. #1	S.	21,700	16,500	11,140	18,835	20,085	12,625	16,360	17,735
	F.	208,250	24,250	26,600	12,000	165,150	120,800	11,350	179,950
	U.		26,600						
Sub. #2	S.	6,000	6,250	5,000	3,000	3,800	2,500	3,500	4,000
	F.	117,550		18,500		54,400		3,400	56,000
	U.								
Sub. #3	S.	308,500	23,000	10,150	4,850	5,400	4,800	3,150	4,150
	F.		32,400	27,750	26,500	267,325	39,000	9,150	59,100
	U.								
Sub. #4	S.	1,300	19,050	3,700	1,450	8,200	2,150	4,750	6,500
	F.	43,500				70,400	122,500		2,900
	U.								
Sub. #5	S.			12,150	6,050	12,550	16,250		10,150
	F.	619,050	10,700	151,700	19,850	747,325	211,700	48,750	28,005
	U.						1,000		1,000
Sub. #6	S.	36,450	47,000	28,450	37,550	19,950	14,300	10,600	14,200
	F.	396,200	65,250	68,000	118,100	547,000	74,350	42,050	54,700
	U.								
Sub. #7	S.	4,593	3,247	1,977	3,383	4,064	1,723	3,257	3,363
	F.	38,100	12,450	1,250	300	81,800	10,900	28,400	3,750
	U.								
Sub. #8	S.								
	F.								
	U.								
Sub. #9	S.	7,025	8,553	5,664	3,220	1,538	2,531	2,058	1,594
	F.	225,500	2,350	1,500	26,000	48,000	10,500	500	4,500
	U.								
Sub. #10	S.	4,250	1,950	1,950	600	150	6,550	10,050	100
	F.	338,750	12,650	7,800	2,750	1,000		3,400	1,500
	U.		17,500	1,000	11,500	251,250		11,750	226,000
	S.			8,201.3		16,284		8,182.7	81,993
Sub. #11	F.								
	U.								
Sub. #12	S.		17,550	11,850	17,125	20,675	17,950	15,150	12,175
	F.	537,400	5,100	47,600	73,750	80,200	141,475	1,000	44,400
	U.								
Sub. #14	S.								
	F.								
	U.								

432

		1919—Week ending—				1920—Week ending—				
		12/6	12/13	12/20	12/27	1/3	1/10	1/17	1/24	1/31
Sub. #1	S.	10,275	9,805	12,290	3,039	3,435	9,985	10,550	9,255	15,835
	F.	120,750	22,450	3,800	11,000	31,900	14,550	19,250	12,650	3,050
	U.									
Sub. #2	S.	4,500	2,000	800	2,500	1,000	1,850	2,500	3,500	3,000
	F.			3,500			3,500			
	U.									
Sub. #3	S.	3,150	1,700	3,100	1,700	2,450	1,350	3,150	10,700	20,850
	F.	18,100	4,400	37,450		16,000	7,500	78,650		18,500
	U.									
Sub. #4	S.	1,100	400	250		250	600	350	2,050	1,800
	F.	23,350	10,500			1,850	10,200	34,400	7,350	1,000
	U.									
Sub. #5	S.	9,000	1,850	550	1,100	3,400	1,750	1,350	17,600	1,800
	F.	14,050	18,400	8,300	7,400	2,200	1,750	88,350	42,500	1,750
	U.									
Sub. #6	S.	5,950	8,450	2,300	1,950	2,050	4,400	7,700	7,250	2,750
	F.	60,250	62,700	56,400	8,250	6,600	53,950	83,700	17,900	50,700
	U.									
Sub. #7	S.	1,587		1,000	135	227	410	363	460	1,050
	F.	3,750	757					3,400		
	U.						150,000			
Sub. #8	S.									
	F.									
	U.									
Sub. #9	S.	516	420				103	8,311		
	F.	80,150		3,500					3,550	1,350
	U.									
Sub. #10	S.	5,850		300	100	400	600	1,000	1,850	1,250
	F.		26,100		150	100	300	250	4,050	250
	U.	1,250		3,750				32,000	4,500	3,500
Sub. #11	S.							16,340	8,154.3	8,199
	F.									
	U.									
Sub. #12	S.	7,825	14,075	5,325						
	F.	148,200	45,750	7,400	82,775	2,350	6,850	38,950	37,950	16,125
	U.									
Sub. #14	S.									1,050
	F.									15,750
	U.									

ZONE # 1.—*Oil sales (taken from weekly sales reports)*—Continued.

433

		1920—Week ending—							
		2/7	2/14	2/21	2/28	3/6	3/13	3/20	3/27
Sub. #1	S.	18,100	12,225	8,635	11,700	13,705	20,975	14,230	10,770
	F.	43,250	9,750	2,950	65,550	141,800	29,150	57,750	11,730
	U.								
Sub. #2	S.	3,600	3,000	2,500	3,400	5,500	5,000	4,200	3,700
	F.		30,000		21,000	3,500	38,000		
	U.								
Sub. #3	S.	1,750	1,950	31,750	2,150	6,150	7,825	1,350	4,000
	F.	5,900				29,375	5,900	3,250	750
	U.								
Sub. #4	S.	1,350	2,750	3,050	2,150	2,850	2,250	7,750	3,550
	F.	46,800		350	18,000	10,250	200	4,000	500
	U.								
Sub. #5	S.	2,700	1,400	5,100	6,500	6,900	12,150	10,150	5,300
	F.	75,050	5,150	850	238,500	400	18,800	9,550	
	U.								
Sub. #6	S.	8,650	7,450	3,700	23,450	6,250	36,150	7,900	
	F.	94,450	10,300	7,000	36,050	33,300	92,900	14,100	
	U.								
Sub. #7	S.	956	4,585	1,082	1,628	4,848	1,918	553	404
	F.				13,600	17,400	19,100		
	U.					3,500			
Sub. #8	S.								
	F.								
	U.								
Sub. #9	S.	52	196		350	480	829	1,169	646
	F.	11,500	1,500		18,000	20,550	98,800	12,200	
	U.								
Sub. #10	S.	950	1,300	950	1,400	2,750	1,750	450	1,700
	F.	3,850		150		50			3,400
	U.						130,000		
Sub. #11	S.								
	F.								
	U.								
Sub. #12	S.	100							
	F.	17,150	17,275						
	U.								
Sub. #14	S.								
	F.								
	U.								

434

		1920—Week ending—								
		4/3	4/10	4/17	4/24	5/1	5/8	5/15	5/22	5/29
Sub. #1	S.	17,750	11,035	6,710	7,650	4,405	8,700	6,000	5,705	7,850
	F.	7,000	5,500	2,500	5,500	1,000	2,000	750		3,500
	U.									
Sub. #2	S.	10,000	012,000	4,200	5,400	16,650	7,000	10,850	7,250	12,000
	F.									
	U.									
Sub. #3	S.	7,200	2,700	4,400	2,100	1,550	3,050	5,250	4,600	2,850
	F.	3,500			1,150	31,500				
	U.									
Sub. #4	S.	1,350	8,380	5,800	500	1,750	2,000	3,850	4,250	5,500
	F.		15,750	3,150	2,200	11,050		1,000		
	U.									
Sub #5	S.	23,950	18,550	3,650	900	750	2,650	5,200	2,950	3,900
	F.	1,950		6,800		8,000	8,000			2,500
	U.									
Sub. #6	S.									
	F.									
	U.									
Sub. #7	S.	1,687	3,402	2,350	1,584	1,460	1,861	2,905	4,857	5,620
	F.	13,600								
	U.		3,000							
Sub. #8	S.									
	F.									
	U.									
Sub. #9	S.	277	363	4,114	1,023	2,722	3,606	1,005	2,703	4,122
	F.	1,250	5,000		5,500					
	U.									
Sub. #10	S.	1,000	500	550	800	350	1,000	950	1,400	1,800
	F.			250					3,400	
	U.									
Sub. #11	S.									
	F.									
	U.									
Sub. #12	S.									
	F.									
	U.									
Sub. #14	S.									
	F.									
	U.									

ZONE # 1.—*Oil sales (taken from weekly sales reports)*—Continued.

435

		1920—Week ending—			
		6/5	6/12	6/19	6/26
Sub. #1	S.	3,750	3,800	8,775	1,875
	F.	300		500	3,400
	U.				
Sub. #2	S.	14,600	22,100	7,900	12,200
	F.				
	U.				
Sub. #3	S.	4,050	2,075	2,050	6,000
	F.			150,000	15,450
	U.				
Sub. #4	S.	3,450	2,350	5,850	6,200
	F.	250		13,500	20,250
	U.				
Sub. #5	S.	3,800	3,200	2,700	10,850
	F.		87,500	5,750	100,000
	U.				
Sub. #6	S.				
	F.				
	U.				
Sub. #7	S.	1,251	4,327	3,683	3,631
	F.				
	U.				
Sub. #8	S.				
	F.				
	U.				
Sub. #9	S.	3,950	4,155	5,803	1,720
	F.				
	U.				
Sub. #10	S.	1,650	1,550	400	630
	F.				3,600
	U.			25,000	25,000
Sub. #11	S.				
	F.				
	U.				
Sub. #12	S.				
	F.				
	U.				
Sub. #14	S.				
	F.				
	U.				

436 ZONE # 2.—*Oil sales (taken from weekly sales reports).*

		1918—Week ending—								
		10/5	10/12	10/19	10/26	11/2	11/9	11/16	11/23	11/30
Sub. #1	S.	3,408	5,363	2,518	2,095	3,335	2,010	2,814	8,501	1,375
	F.	18,400		16,000	21,050	78,400	5,850			
	U.									
Sub. #2	S.									
	F.									
	U.	502.7	303	854	1,005.1	298.2	104.4		206	144.4
Sub. #3	S.	3,250				8,200	7,650	6,300	2,150	900
	F.									
	U.		3,200	5,350						
Sub. #4	S.			350		450	150	250	200	100
	F.									
	U.	100	400		200					
Sub. #5—No sales.										
Sub. #6	S.		5,450	7,650	19,300	20,100	10,700	5,700	2,100	3,500
	F.		1,500	3,000	3,000	2,100				
	U.	2,100								
Sub. #7—No sales.										
Sub. #8—No sales.										
Sub. #9—No sales.										
Sub. #10	S.					100				5,880
	F.									
	U.									
Sub. #11	S.							3,471	4,792	641.4
	F.									
	U.									
Sub. #12	S.									3,400
	F.		13,600	12,525	193,800	33,200	29,200		3,400	8,300
	U.	7,100	8,050		52,850		9,875	78,156	15,997	8,955
Sub. #14—No sales.										

ZONE # 2.—*Oil sales (taken from weekly sales reports)*—Continued.

437

		1918—Week ending—				1919—Week ending—				
		12/7	12/14	12/21	12/28	1/4	1/11	1/18	1/25	2/1
Sub. #1	S.	2,835	807	3,112	4,396	1,097	2,253	11,401	1,798	5,743
	F.							1,500		
	U.									
Sub. #2	S.					293 9/15		98 10/15	346 9/15	133 11/15
	F.									
	U.	50	102.2		52		98 2/15			
Sub. #3	S.	1,500	2,050	350	5,200	4,400	3,250	1,800	3,700	4,150
	F.					10,000		63,900	8,300	
	U.									
Sub. #4	S.	950	50	50	100		100			
	F.									
	U.									
Sub. #5	S.						3,550			36,000
	F.									
	U.									
Sub. #6	S.	2,650	4,000	3,200	3,800	1,500	3,800	6,500		10,050
	F.						500	2,250		
	U.									
Sub. #7. No sales										
Sub. #8. No sales										
Sub. #9. No sales										
Sub. #10. No sales										
Sub. #11	S.	6,784	11,122	2,788	11,061	19,816	830	21,574	25,323	
	F.									
	U.									
Sub. #12	S.	3,400		16,600		9,817	15,700	128,111	12,004	1,901
	F.			8,300	6,800		8,300	51,700	8,200	9,875
	U.	21,174	16,741	6,107	3,543					10,300
Sub. #14. No sales										

438

		1919—Week ending—								
		2/8	2/15	2/22	3/1	3/8	3/15	3/22	3/29	4/5
Sub. #1	S.	9,062	9,130	3,417	15,822	50,529	1,515	10,395	6,856	4,767
	F.		16,000	32,250	4,400	115,900		5,000	16,000	1,250
	U.									
Sub. #2	S.	49 11/15	395 9/15	102	610		98		100	200
	F.					3,500				
	U.									
Sub. #3	S.	6,050	11,100	24,100	8,250	28,750	15,650	8,750	11,000	12,850
	F.		35,000	91,750	26,900	50,000	2,500	11,000	47,800	
	U.									
Sub. #4	S.		150	350	100	975	300	300	400	205
	F.									
	U.									
Sub. #5	S.			15,600					650	4,300
	F.					16,000				
	U.									
Sub. #6	S.	6,850	6,600	14,300	6,700	13,000	3,200	5,550	11,750	8,100
	F.	250	1,500	49,000	13,350	57,500	3,150	5,000	58,500	10,000
	U.									
Sub. #7	S.		8,301							
	F.					8,300				
	U.									
Sub. #8. No sales										
Sub. #9. No sales										
Sub. #10	S.									100
	F.									
	U.									
Sub. #11	S.	9,120	1,093	9,870	253	1,095	18,767	7,162	13,337	
	F.									
	U.									
Sub. #12	S.	30,350	54,625	16,800	34,700	68,450	7,675	22,400	14,775	15,800
	F.			18,500	22,000	124,000		8,400	28,900	16,700
	U.									
Sub. #14. No sales										

ZONE # 2.—*Oil sales (taken from weekly sales reports)*—Continued.

439

		1919—Week ending—								
		4/12	4/19	4/26	5/3	5/10	5/17	5/24	5/31	6/7
Sub. #1	S.	20,978	4,702	15,363	5,358	5,365	5,609	6,260	5,047	12,889
	F.	67,100	11,650	197,050	6,500	.....	18,850	10,000	80,950	55,600
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #2	S.	200	850	100	.....	650	.....	300	.....	500
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #3	S.	17,800	5,250	7,650	3,150	2,800	10,300	8,100	15,750	.....
	F.	152,250	45,500	307,750	16,300	10,000	181,800	25,500	126,250	73,400
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #4	S.	100	1,000	950	250	.....	550	900	500	300
	F.	.....	.....	750	.....	.....	.....	.....	.....	7,000
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #5	S.	4,300	400	3,950	3,500	1,200	1,050	750	.....	4,050
	F.	.....	.....	750	300	1,000	600	2,800	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #6	S.	16,650	16,300	8,450	5,350	5,650	5,000	.....	24,500	11,350
	F.	36,600	47,250	641,750	11,450	1,450	84,250	29,650	132,100	151,750
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #7	S.	.....	.....	.....	.....	16,600	.....	.....	.....	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #8. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #9	S.	.....	.....	.....	.....	.....	.....	.....	.....	3,400
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #10	S.	3,650	.....	2,000	.....	.....	.....	.....	.....	.....
	F.	.....	.....	.....	.....	.....	.....	.....	7,500	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #11	S.	10,613	.....	9,288	24,458	2,312	863	13,592	3,678	11,859
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #12	S.	26,350	7,850	23,950	.....	13,725	23,925	12,625	23,300	25,700
	F.	31,800	11,900	649,250	20,750	19,350	277,400	76,656	150,550	223,100
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #14	S.	.....	.....	.....	.....	.....	.....	.....	.....	3,625
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....

440

		1919—Week ending—								
		6/14	6/21	6/28	7/5	7/12	7/19	7/26	8/2	8/9
Sub #1	S.	11,733	4,717	18,002	17,260	22,475	17,650	27,900	7,339	30,150
	F.	16,000	.....	20,750	9,000	18,900	.....	32,600	10,200	3,500
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #2	S.	1,250	500	.....	2,800	2,250	1,800	3,500	500	600
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #3	S.	11,250	8,450	.....	8,700	6,350	6,050	5,800	13,000	8,550
	F.	87,200	104,600	30,500	15,150	18,150	28,000	9,400	.....	15,500
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #4	S.	900	250	400	300	700	50	500	400	50
	F.	17,500	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #5	S.	1,050	700	900	21,000	350	1,300	250	600	450
	F.	.....	.....	2,500	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #6	S.	19,800	8,600	5,450	7,000	15,650	7,250	9,100	2,900	12,800
	F.	21,000	15,500	32,000	4,000	26,250	51,000	1,050	61,750	156,750
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #7. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #8. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #9. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #10	S.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	F.	5,000	.....	.....	.....	.....	.....	.....	450	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #11	S.	6,249	10,000	3,126	10,722	.....	.....	.....	.....	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #12	S.	17,950	19,200	13,325	14,473	8,081	10,141	8,631.7	.....	8,603.2
	F.	220,400	68,400	57,650	112,050	13,800	11,300	13,200	16,325	9,450
	U.	.....	.....	.....	.....	301,100	17,000	63,950	200,900	94,300
Sub. #14	S.	8,800	3,650	3,900	4,450	4,950	7,475	2,900	5,200	3,850
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....

ZONE # 2.—*Oil sales (taken from weekly sales reports)*—Continued.

441

		1919—Week ending—								
		8/16	8/23	8/30	9/6	9/13	9/20	9/27	10/4	10/11
Sub. #1	S.	10,300	23,300	7,000	6,994	12,450	6,700	7,650	11,200	27,356
	F.				1,000	9,400	75,400	26,000	41,400	367,300
	U.									
Sub. #2	S.	500	500	500	600	250	300		1,200	1,300
	F.									14,000
	U.									
Sub. #3	S.	2,200	12,700	9,050	6,500	8,200	11,050	5,550	4,650	
	F.	127,800	27,250	21,800	38,600	6,800	43,400	15,900	261,100	978,851
	U.									
Sub. #4	S.	50	750	550	250	900	300	200	350	650
	F.									
	U.									
Sub. #5	S.	500	550	500	1,150	350	450	1,000	1,350	
	F.			1,250	6,800	8,750				9,750
	U.									
Sub. #6	S.	4,400	3,950	5,650	5,250	5,500	12,300	4,300	14,700	16,900
	F.	219,000	170,500	7,600	7,500	219,150	47,100	50,000	32,500	268,250
	U.									
Sub. #7. No sales										
Sub. #8. No sales										
Sub. #9. No sales										
Sub. #10. No sales										
Sub. #11	S.	12,574.7	10,036		7,517.8			14,781.6	2,087	3,162.7
	F.									
	U.									
Sub. #12	S.	16,030	6,900	6,650	6,250	7,575	17,748	18,340	10,850	14,417
	F.	72,500	15,200	21,000	38,950	152,400	53,200	94,250	261,400	1,436,000
	U.									
Sub. #14	S.	3,425	5,080	1,910	7,705	4,610	2,525	4,125	3,725	4,625
	F.									
	U.									

442

		1919—Week ending—								
		10/18	10/25	11/1	11/8	11/15	11/22	11/29	12/6	12/13
Sub. #1	S.	2,470	5,850	7,450	12,875	18,975	15,500	18,850	5,250	4,000
	F.	8,000	25,000	21,000	108,650	358,000	43,400	120,000	404,800	328,950
	U.									
Sub. #2	S.	250	800	500	750	500	750	200	200	200
	F.		10,500		3,400					
	U.									
Sub. #3	S.	22,500	14,950	10,250	5,850	16,000	10,400	6,100	4,950	4,000
	F.	20,150	245,300	63,000	393,750	281,700	150,200	41,950	205,650	25,000
	U.									
Sub. #4	S.	150	700	8,150	400	250	250	500	550	750
	F.				26,150	15,000	2,100	61,950		
	U.									
Sub. #5	S.			300	1,500	450				100
	F.			250	14,450	4,150	4,400		24,550	17,090
	U.									
Sub. #6	S.	20,500	11,500	33,800	22,400	34,600	24,500	22,150	16,000	15,550
	F.	21,250	4,850	48,350	777,550	63,750	50,950	45,600	254,950	202,600
	U.									
Sub. #7. No sales										
Sub. #8. No sales										
Sub. #9	S.									7,500
	F.									
	U.									
Sub. #10. No sales										
Sub. #11	S.	13,996.6	1,692.0	554.6	10,652.0	1,756.0	6,240.7	4,417.9	5,638.5	8,752.8
	F.									
	U.									
Sub. #12	S.	9,175	15,600	46,895	8,475	28,931	16,552	24,519	13,400	9,525
	F.		93,650	52,350	177,500	253,300	121,250	251,050	128,650	82,700
	U.	9,950								
Sub. #14	S.	1,950	2,400	2,725	1,475	2,760	2,906	11,650	3,600	46,925
	F.				750	3,000	2,050	800	5,250	4,100
	U.									

ZONE # 2.—*Oil sales (taken from weekly sales reports)*—Continued.

443

		1919—Week ending—	
		12/20	12/27
Sub. #1	S.	4,200	950
	F.	50	3,400
	U.		
Sub. #2	S.	1,000	
	F.		
	U.		
Sub. #3	S.	3,900	2,350
	F.	39,000	10,000
	U.		
Sub. #4	S.	200	
	F.		
	U.		
Sub. #5	S.	100	250
	F.	12,500	
	U.		
Sub. #6	S.	3,900	1,900
	F.	1,550	5,150
	U.		
Sub. #7. No sales			
Sub. #8. No sales			
Sub. #9. No sales			
Sub. #10 No sales			
Sub. #11	S.	10,983	5,030
	F.		
	U.		
Sub. #12	S.	34,450	2,500
	F.	20,300	2,450
	U.		
Sub. #14	S.	350	200
	F.	900	1,250
	U.		

444

		1920—Week ending—								
		1/3	1/10	1/17	1/24	1/31	2/7	2/14	2/21	2/28
Sub. #1	S.	4,058	1,550	1,075	10,990	8,725	7,650	2,250	3,050	6,550
	F.	3,750	2,500	20,000	.....	2,500	47,000	.....	81,550	31,350
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #2	S.	.....	400	.....	600	1,000	100	1,500	300	500
	F.	.....	.....	.....	.....	.....	.....	.....	.....	14,000
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #3	S.	2,600	3,950	3,850	3,500	2,900	2,400	4,000	4,750	3,650
	F.	.....	4,000	28,500	61,900	151,900	37,000	38,000	8,000	39,600
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #4	S.	150	150	400	500	1,150	1,650	1,750	7,450	5,400
	F.	.....	.....	.....	1,500	.....	.....	300	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #5	S.	.....	.....	.....	.....	.....	3,400	.....	850	400
	F.	.....	.....	.....	.....	.....	10,000	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #6	S.	2,950	3,500	4,250	5,000	3,350	3,250	1,350	2,700	.....
	F.	8,100	15,950	60,100	75,650	100,600	55,450	21,750	12,700	50,150
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #7	S.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #8	S.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #9	S.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #10	S.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #11	S.	.....	2,007	2,739.7	4,757.6	10,228	.....	.....	.....	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	8,148	22,672	.....	7,788
Sub. #12	S.	.....	.....	12,175	.....	.....	50	.....	.....	.....
	F.	20,650	21,275	50,250	20,000	50,425	171,350	17,650	.....	.....
	U.	.....	13,600	.....	.....	7,900	.....	13,800	.....	.....
Sub. #14	S.	550	1,925	1,775	2,000	700	2,775	1,650	975	1,475
	F.	2,925	350	9,150	900	100	59,750	600	650	55,150
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....

ZONE # 2.—*Oil sales (taken from weekly sales reports)*—Continued.

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		1920—Week ending—							
		3/6	3/13	3/20	3/27	4/3	4/10	4/17	4/24
Sub. #1	S.	14,150	3,900	1,050	6,300	4,725	5,575	12,400	2,950
	F.	58,150	71,150	35,000			1,800		
	U.								
Sub. #2	S.	500	300		300	3,000	800	2,500	350
	F.			3,700					
	U.								
Sub. #3	S.	3,450	4,350	1,700	2,850	2,650	3,900	3,150	2,600
	F.	10,000	32,000	250	5,000	25,000	9,800	6,800	
	U.								
Sub #4	S.	1,350	1,000	300	2,050	2,750	6,400	550	550
	F.	750	400	8,600					
	U.								
Sub. #5	S.		1,700		150				
	F.						5,750		
	U.								
Sub. #6	S.	4,850	5,150	4,100					
	F.	69,750	96,700	13,650					
	U.								
Sub. #7	S.								
	F.								
	U.								
Sub. #8	S.								
	F.								
	U.								
Sub. #9	S.								
	F.								
	U.								
Sub. #10	S.								
	F.								
	U.								
Sub. #11	S.								
	F.								
	U.	5,346				1,020		2,197	
Sub #12	S.								
	F.								
	U.								
Sub. #14	S.	3,750	3,750	5,700	4,275	5,225	2,875		2,775
	F.	2,500	1,250		1,400	1,300			2,150
	U.								

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		1920—Week ending—								
		5/1	5/8	5/15	5/22	5/29	6/5	6/12	6/19	6/26
Sub. #1	S.	4,850	4,800	7,750	5,700	12,450	1,150	1,600	3,800	5,350
	F.				8,000	8,500	100			40,000
	U.									
Sub. #2	S.			600	4,350		600			
	F.									
	U.									
Sub. #3	S.	2,525	4,400	3,900	5,500	3,550	2,800	3,250	3,500	8,400
	F.		3,400		750			62,000	13,000	179,200
	U.									
Sub. #4	S.	1,250	3,500	450	1,000	950	400	250	100	
	F.								22,650	250
	U.									
Sub. #5. No sales										
Sub. #7. No sales										
Sub. #8. No sales										
Sub. #9. No sales										
Sub. #10	S.									
	F.				3,400					
	U.									
Sub. #11	S.		1,327	5,790	17,701	1,639	1,715		1,031	12,680
	F.									
	U.									
Sub. #14	S.	3,325	8,500	16,800	6,350	3,650	4,875	4,625	9,050	1,825
	F.	400			800			3,600	1,500	8,075
	U.									

ZONE # 3—*Oil sales (taken from weekly sales reports).*

447

		1918—Week ending—								
		10/5	10/12	10/19	10/26	11/2	11/9	11/16	11/23	11/30
Sub. #1	S.	19,986	15,192	12,682	13,462	20,460	12,431	15,714	31,501	15,402
	F.	121,900	4,500	1,200	.....	4,100	32,150	16,350	35,200	79,900
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #2. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #3	S.	800	.....	.....	.....	700	1,950	600	400	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	1,350	1,000	.....	.....	.....	.....	.....	.....
Sub. #4. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #5. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #6	S.	.....	1,850	5,300	8,150	16,450	11,000	9,500	9,500	8,650
	F.	4,000	.....	3,750	4,000	.....	300	.....	1,250	.....
	U.	3,350	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #7. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #8	S.	.....	.....	.....	15,375	.....	.....	37,175	29,925	15,150
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	8,675	16,750	18,350	.....	.....	.....	.....	.....	.....
Sub. #9. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #10	S.	.....	.....	1,600	.....	.....	.....	.....	.....	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #11. No sales		.....	.....	.....	.....	.....	.....	.....	.....	6,900
Sub. #12	S.	10,200	.....	51,675	148,850	28,175	180,700	.....	34,000	.....
	F.	18,050	12,650	.....	41,525	.....	14,900	12,225	10,450	18,400
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #14. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....

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		1918—Week ending—				1919—Week ending—				
		12/7	12/14	12/21	12/28	1/4	1/11	1/18	1/25	2/1
Sub. #1	S.	24,470	11,355	18,050	6,150	14,550	23,664	21,600	15,322	18,650
	F.	.....	750	27,200	600	5,050	250	8,000	25,000	1,000
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #2. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #3	S.	1,000	700	1,500	.....	50	350	33,200	250	13,300
	F.	.....	.....	.....	3,500	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #4. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #5. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #6	S.	8,750	4,200	9,400	29,800	15,800	18,700	12,050	.....	7,850
	F.	.....	.....	.....	.....	.....	2,500	78,000	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #7. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #8	S.	12,825	12,450	21,975	6,600	15,300	15,775	26,650	20,675	19,650
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #9. No sales		.....	.....	.....	.....	.....	.....	.....	6,550	.....
Sub. #10	S.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #11. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #12	S.	3,400	30,900	.....	.....	3,500	16,275	22,650	7,700	10,700
	F.	.....	.....	42,000	13,700	30,000	3,400	29,800	.....	.....
	U.	7,200	.....	6,350	8,500	7,000	.....	.....	.....	.....
Sub. #14. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....

ZONE # 3.—*Oil sales (taken from weekly sales reports)*—Continued.

449		1919—Week ending—									
		2/8	2/15	2/22	3/1	3/8	3/15	3/22	3/29	4/5	4/12
Sub. #1	S.	28,090	24,274	15,000	19,960	47,300	11,650	21,750	19,550	10,800	24,700
	F.	.....	1,100	143,600	47,650	201,400	250	72,850	21,150	.....	180,630
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #2. No sales.											
Sub. #3	S.	4,100	8,800	17,700	1,750	750	300	50	450	11,700	200
	F.	.....	.....	25,500	20,000	32,000	.....	.....	26,800	8,000	121,200
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #4	S.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	F.	.....	.....	.....	.....	16,000	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #5. No sales.											
Sub. #6	S.	16,600	36,150	144,100	33,000	56,050	5,700	25,250	10,800	13,100	53,700
	F.	25,000	21,000	78,650	6,000	36,750	.....	73,000	8,550	10,000	139,900
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #7. No sales.											
Sub. #8	S.	27,825	24,425	27,250	41,325	88,100	30,650	23,225	22,775	47,200	55,300
	F.	.....	.....	.....	.....	36,200	.....	.....	350	.....	55,350
	U.	39,728	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #9. No sales.											
Sub. #10	S.	.....	6,550	3,400	.....	.....	.....	.....	13,000	.....	.....
	F.	.....	.....	.....	.....	.....	3,200	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #11	S.	.....	.....	.....	.....	.....	.....	8,728	.....	8,228	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #12	S.	34,000	16,100	26,500	41,200	93,450	27,525	24,150	33,450	21,250	111,200
	F.	.....	.....	66,100	59,500	122,000	28,300	48,900	15,800	14,300	52,700
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

450		1919—Week ending—								
		4/19	4/26	5/3	5/10	5/17	5/24	5/31	6/7	6/14
Sub. #1	S.	15,100	26,500	13,650	30,000	20,404	16,450	7,800	17,120	17,750
	F.	49,700	430,550	13,600	5,350	183,050	17,550	41,090	136,250	112,300
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. # 2. No sales.										
Sub. #3	S.	750	.....	250	8,300	1,250	1,600	.....	.....	1,050
	F.	85,200	265,100	7,500	103,400	608,650	78,000	40,200	28,000	10,000
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #4	S.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	F.	.....	40,000	.....	.....	.....	57,000	.....	83,000	17,500
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #5. No sales.										
Sub. #6	S.	11,400	7,100	3,800	5,850	4,200	.....	229,900	22,750	18,350
	F.	10,100	536,500	16,000	700	79,500	283,100	.....	321,900	119,250
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #7. No sales.										
Sub. #8	S.	32,700	35,100	32,750	93,834	36,400	51,825	25,500	95,136	44,550
	F.	8,700	72,900	14,650	.....	54,000	31,100	41,200	13,600	27,200
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #9. No sales.										
Sub. #10. No sales.										
Sub. #11	S.	8,217	.....	.....	.....	.....	8,168	.....	.....	8,035
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #12	S.	13,250	9,475	.....	12,200	15,600	14,450	11,100	25,050	24,500
	F.	28,300	636,200	42,200	13,600	560,950	213,200	332,900	154,250	72,375
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub #14	S.	.....	.....	.....	.....	.....	.....	.....	6,810	4,950
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....

ZONE # 3.—*Oil sales (taken from weekly sales reports)*—Continued.

451

		1919—Week ending—								
		6/21	6/28	7/5	7/12	7/19	7/26	8/2	8/9	8/16
Sub. #1	S.	21,100	17,000	14,800	45,600	19,550	33,175	30,800	16,125	13,350
	F.	26,100	27,100	33,650	72,200	37,900	41,450	850	2,000	33,050
	U.									
Sub. #2. No sales										
Sub. #3	S.	1,500		1,850	750	1,150	1,750	1,750	900	
	F.	235,800	352,000	84,000	3,400	35,700	45,600	10,500	20,000	
	U.									
Sub. #4	S.									
	F.	16,500								
	U.									
Sub. #5. No sales										
Sub. #6	S.	9,200	30,550	15,400	8,300	4,300	3,950	1,600	14,650	8,200
	F.	42,250	125,750	50,750	227,250	58,500	236,100	18,600	18,100	23,500
	U.									
Sub. #7. No sales										
Sub. #8	S.	22,875	24,175	25,700	35,625	27,600	23,950	30,225	24,500	81,636
	F.	10,200						38,000	36,600	
	U.									
Sub. #9. No sales										
Sub. #10. No sales										
Sub. #11	S.									8,000
	F.									
	U.									
Sub. #12	S.	13,925	19,625	22,100	13,925	13,350	6,700	18,650	12,800	10,350
	F.	200,550	283,900	745,300	284,000	113,100	142,800	189,400	36,100	46,200
	U.									
Sub. #14	S.	3,775	3,125	2,055	1,250	2,975	1,350	2,850	1,550	1,925
	F.									
	U.									

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		1919—Week ending—								
		8/23	8/30	9/6	9/13	9/20	9/27	10/4	10/11	10/18
Sub. #1	S.	29,650	15,080	13,150	15,750	10,585	7,350	22,325	28,650	15,515
	F.	1,250	1,900	85,000	17,000	146,000	54,850	114,300	786,800	40,300
	U.									
Sub. #2. No sales										
Sub. #3	S.	750	2,600	500	1,550	1,600	600	600		9,400
	F.	100,000	50,000	16,000		132,200	20,000	36,000	447,100	40,200
	U.									
Sub. #4	S.					450				800
	F.					8,000			64,000	
	U.									
Sub. #5. No sales										
Sub. #6	S.	7,450	2,950	10,100	3,600	6,550	4,600	16,050	20,000	17,500
	F.	173,000	4,900		173,100	16,000	550	126,200	163,100	5,500
	U.									
Sub. #7. No sales										
Sub. #8	S.	27,525	29,750	19,000	85,529	25,955	16,900	30,700	34,050	27,600
	F.	10,000			200	45,350	8,650	16,050	222,350	900
	U.									
Sub. #9. No sales										
Sub. #10. No sales										
Sub. #11	S.		8,583	8,198				17,022	8,739	
	F.									
	U.									
Sub. #12	S.	12,046	9,100	20,775	17,250	5,800	3,675	7,650		9,875
	F.	111,300	70,900	15,100	7,900	142,500	145,000	404,050	979,300	83,300
	U.									
Sub. #14	S.	2,110	450	2,125	2,710	1,825	1,200	2,000	1,450	1,225
	F.									
	U.									

ZONE # 3.—*Oil sales (taken from weekly sales reports)*—Continued.

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		1919—Week ending—							
		10/25	11/1	11/8	11/15	11/22	11/29	12/6	12/13
Sub. #1	S.	16,982	3,675	30,875	16,740	21,350	24,038	17,315	13,375
	F.	203,500	127,000	293,950	308,550	86,200	159,700	608,100	348,000
	U.								
Sub. #2. No sales.									
Sub. #3	S.		4,250		8,800		20,850	2,500	
	F.	18,000	36,000	718,000	13,700			191,900	40,000
	U.								
Sub. #4	S.								
	F.							11,500	
	U.								
Sub. #5. No sales.			m						
Sub. #6	S.	21,100	17,000	19,550	22,600	9,450	17,250	23,900	60,900
	F.	47,950	13,250	769,950	39,500	41,750	59,500	372,100	173,250
	U.								
Sub. #7. No sales.									
Sub. #8	S.	24,600	30,700	23,050	110,725	98,405	31,300	33,650	64,740
	F.	4,250	27,100	95,200	16,000	3,300	250	54,350	9,550
	U.								
Sub. #9. No sales.									
Sub. #10. No sales.									
Sub. #11	S.		8,074		113				
	F.								
	U.								
Sub. #12	S.	17,750	13,000	8,400	14,975	15,600	25,800	36,275	13,150
	F.	122,950	69,450	378,700	95,600	111,750	219,650	323,300	47,550
	U.								
Sub. #14	S.	1,750	1,425	650	730	400	4,900	1,850	450
	F.			600			5,750	2,150	4,900
	U.								

454

		1919—Week ending—	
		12/20	12/27
Sub. #1	S.	16,606	3,550
	F.	59,250	9,000
	U.		
Sub. #2. No sales			
Sub. #3	S.	500	350
	F.	91,000	
	U.		
Sub. #4. No sales.			
Sub. #5. No sales.			
Sub. #6	S.	4,700	4,850
	F.	70,300	2,850
	U.		
Sub. #7. No sales.			
Sub. #8	S.	10,550	12,400
	F.	11,050	14,600
	U.		
Sub. #9. No sales.			
Sub. #10. No sales.			
Sub. #11	S.	8,130	504
	F.		
	U.		
Sub. #12	S.	8,600	5,133
	F.	181,200	20,750
	U.		
Sub. #14	S.	100	
	F.	400	
	U.		

ZONE # 3.—*Oil sales (taken from weekly sales reports)*—Continued.

455		1920—Week ending—							
		1/3	1/10	1/17	1/24	1/31	2/7	2/14	2/21
Sub. #1	S.	7,800	6,250	7,550	7,900	12,020	12,100	3,951	5,650
	F.	9,500	3,300	146,400	21,750	102,550	101,500	110,150	60,600
	U.								
Sub. #2	S.								
	F.								
	U.								
Sub. #3	S.		2,250	150	9,200	1,150			3,750
	F.	35,500	250	95,050		100,000	18,750	236,000	10,000
	U.								
Sub. #4	S.								
	F.								
	U.								
Sub. #5	S.								
	F.								
	U.								
Sub. #6	S.	3,450	5,750	2,900	3,100	6,500	2,050	1,950	21,750
	F.	31,750		40,300	34,000	6,150	1,750	21,000	28,300
	U.								
Sub. #7	S.								
	F.								
	U.								
Sub. #8	S.	15,750	19,450	21,000	14,550	20,100	23,975	9,550	25,250
	F.	12,800	150	10,550	20,250	3,800	5,150	3,400	800
	U.		55,004					42,885	
Sub. #9	S.								
	F.								
	U.								
Sub. #10	S.								
	F.								
	U.								
Sub. #11	S.								
	F.								
	U.								
Sub. #12	S.								
	F.	7,450	39,200	99,300	70,250	34,700	37,750	104,550	
	U.								
Sub. #14	S.	350	700	1,475	900		675	925	550
	F.	50	7,250	1,100	1,550		1,750	80,200	100
	U.								

456		1920—Week ending—								
		2/28	3/6	3/13	3/20	3/27	4/3	4/10	4/17	4/24
Sub. #1	S.	10,300	10,260	12,200	32,500	5,300	9,485	9,600	116,700	11,950
	F.	371,400	260,400	216,500	51,200	2,000		119,200	6,250	10,250
	U.									
Sub. #2	S.									
	F.									
	U.									
Sub. #3	S.			2,550	500	2,300		350	350	
	F.	297,250	47,500		31,300	6,000	150,000	230,000		10,950
	U.									
Sub. #4	S.									
	F.	5,000		9,400	42,300					
	U.									
Sub. #5	S.									
	F.									
	U.									
Sub. #6	S.	5,050	5,250	7,400	3,700					
	F.	407,250	63,850	107,400	83,750					
	U.									
Sub. #7	S.									
	F.									
	U.									
Sub. #8	S.	11,500	14,000	24,100	22,400	19,750		21,300	22,250	22,100
	F.	14,850	18,400	34,850	3,450	1,150	8,600	17,100	5,250	2,100
	U.		47,322				17,088	59,752		
Sub. #9	S.									
	F.									
	U.									
Sub. #10	S.									
	F.									
	U.									
Sub. #11	S.									
	F.									
	U.									
Sub. #14	S.	500	850	1,500	1,900	2,000	4,375	1,250	3,400	1,550
	F.	27,350	1,000	1,775		1,150	1,000	500	400	450
	U.									

ZONE # 3.—*Oil sales (taken from weekly sales reports)*—Continued.

457		1920—Week ending—								
		5/1	5/8	5/15	5/22	5/29	6/5	6/12	6/19	6/26
Sub. #1	S.	7,575	7,010	9,230	7,525	10,850	13,360	8,300	7,600	6,035
	F.	1,000		1,250	250	13,750	3,550	15,200	2,000	15,250
	U.									
Sub. #2. No sales										
Sub. #3	S.	500		750	2,250	9,700	750	50		100
	F.								42,000	65,500
	U.									
Sub. #4	S.			550						
	F.									
	U.									
Sub. #5. No sales										
Sub. #7. No sales										
Sub. #8	S.	19,700	96,080	21,200	14,650	21,700	82,208	22,300	45,602	35,300
	F.	14,000	2,000	450	50	6,800		1,250	6,450	16,100
	U.									
Sub. #9. No sales										
Sub. #10. No sales										
Sub. #11. No sales										
Sub. #14	S.	1,500	1,000	1,000	1,050	1,175	1,175	1,725	1,250	1,825
	F.	300	450	200	100	500		700	1,250	850
	U.									

458 ZONE #4.—*Oil sales (taken from weekly sales reports).*

		1918—Week ending—								
		10/5	10/12	10/19	10/26	11/2	11/9	11/16	11/23	11/30
Sub. #1. No sales										
Sub #2. No sales										
Sub. #3	S.					1,550	400	300	1,250	
	F.									
	U.		150	1,250						
Sub. #4. No sales										
Sub. #5. No sales										
Sub. #6	S.		3,150	4,800	5,100	4,550	9,950	1,250	1,550	4,550
	F.				1,000	1,000				
	U.	3,550								
Sub. #7. No sales										
Sub. #8. No sales										
Sub. #9. No sales										
Sub. #10	S.			150						
	F.									
	U.		350							
Sub. #11. No sales										
Sub. #12	S.									
	F.			1,650	1,700	10,200	6,800	3,400		
	U.	1,250	1,000				1,950	2,350	1,200	4,450
Sub. #14. No sales										

459		1918—Week ending—				1919—Week ending—				
		12/7	12/14	12/21	12/28	1/4	1/11	1/18	1/25	2/1
Sub. #1. No sales										
Sub. #2. No sales										
Sub. #3	S.		1,050	400	4,000	350		250	350	
	F.									
	U.									
Sub. #4. No sales										
Sub. #5. No sales										
Sub. #6	S.	2,400	2,100	6,000	1,150	7,050	6,150	2,650	8,300	5,300
	F.							8,250		
	U.									
Sub. #7. No sales										
Sub #8. No sales										
Sub. #9. No sales										
Sub. #10. No sales										
Sub. #11. No sales										
Sub. #12	S.		10,300				750	4,150	900	5,900
	F.		3,400							
	U.	2,100		1,700	850	400				
Sub. #14. No sales										

ZONE # 4.—*Oil sales (taken from weekly sales reports)*—Continued.

460

		1919—Week ending—								
		2/8	2/15	2/22	3/1	3/8	3/15	3/22	3/29	4/5
Sub. #1. No sales										
Sub. #2. No sales										
Sub. #3	S.	4,450	4,400	400	150		5,050	250		250
	F.									
	U.									
Sub. #4	S.					7,000				
	F.									
	U.									
Sub. #5. No sales										
Sub. #6	S.	7,750	5,900	10,550	10,680	14,550	5,750	2,750	7,200	9,250
	F.					5,000		1,500		
	U.									
Sub. #7. No sales										
Sub. #8. No sales										
Sub. #9. No sales										
Sub. #10	S.			700	150	750	150	250	650	1,750
	F.									
	U.									
Sub. #11. No sales										
Sub. #12	S.	1,100	1,700	1,450	2,450		4,900	4,050	2,150	2,150
	F.			3,400			3,400	3,400		
	U.									
Sub. #14. No sales										

461

		1919—Week ending—								
		4/12	4/19	4/26	5/3	5/10	5/17	5/24	5/31	6/7
Sub. #1	S.			100	100		648	346	750	1,552
	F.						1,250		10,500	
	U.									
Sub. #2. No sales										
Sub. #3	S.	3,350	2,350	2,100	2,300	1,750			5,300	
	F.	12,000		17,000	8,000				17,000	
	U.									
Sub. #4	S.					400				
	F.									
	U.									
Sub. #5. No sales										
Sub. #6	S.	20,350	3,000	18,750	14,300	5,550	5,650		23,700	12,250
	F.			28,100			14,000	8,330	750	57,000
	U.									
Sub. #7. No sales										
Sub. #8. No sales										
Sub. #9. No sales										
Sub. #10	S.	2,500	300	2,800		450	3,750		900	2,800
	F.									
	U.									
Sub. #11. No sales										
Sub. #12	S.	6,000	650	450		3,850	1,450	3,100	5,400	6,150
	F.		4,200	6,900	10,600	550	14,250	20,200		10,900
	U.									
Sub. #14. No sales										

462

		1919—Week ending—								
		6/14	6/21	6/28	7/5	7/12	7/19	7/26	8/2	8/9
Sub. #1	S.	100	200	903			900	550	1,250	350
	F.									
	U.									
Sub. #2. No sales										
Sub. #3	S.						3,150			
	F.			3,500						
	U.									
Sub. #4. No sales										
Sub. #5. No sales										
Sub. #6	S.	1,250	13,400	800	1,350	8,550		12,050	900	300
	F.			1,000	2,750	1,300		6,750		
	U.									
Sub. #7. No sales										
Sub. #8. No sales										
Sub. #9. No sales										
Sub. #10	S.				1,700	2,200				
	F.									
	U.									
Sub. #11. No sales										
Sub. #12	S.	1,300	1,400	3,900	4,700	3,650	850	1,300	4,150	1,230
	F.	1,500		2,500			10,200	6,860	3,400	
	U.									
Sub. #14. No sales										

ZONE # 4.—*Oil sales (taken from weekly sales reports)*—Continued.

463

		1919—Week ending—									
		8/16	8/23	8/30	9/6	9/13	9/20	9/27	10/4	10/11	10/18
Sub. #1	S.	550	3,400	400	3,500	400	150	750	.....	1,400	700
	F.	.....	.....	.....	.....	.....	.....	8,000	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #2. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #3	S.	.....	.....	3,500	.....	3,200	950	650	.....	.....	3,250
	F.	10,200	.....	.....	.....	.....	.....	7,000	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #4. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #5. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #6	S.	3,850	1,300	4,400	150	150	5,250	1,250	1,750	10,750	8,650
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....	15,000
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #7. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #8. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #9. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #10	S.	.....	50	3,200	.....	.....	.....	1,100	.....	250	700
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #11. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #12	S.	1,700	900	2,000	2,200	2,650	1,000	800	1,750	.....	4,300
	F.	.....	.....	3,750	.....	8,300	.....	.....	250	6,800	3,500
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #14. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

464

		1919—Week ending—									
		10/25	11/1	11/8	11/15	11/22	11/29	12/6	12/13	12/20	12/27
Sub. #1	S.	650	100	3,800	.....	3,250	2,050	300	.....	.....	.....
	F.	.....	6,250	.....	500	5,950	13,500	10,000	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #2. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #3	S.	.....	750	8,150	1,600	.....	.....	.....	600	250	1,350
	F.	.....	.....	24,500	10,500	.....	.....	3,400	.....	.....	10,500
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #4. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #5. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #6	S.	950	1,100	7,700	1,700	5,500	10,550	16,950	7,950	2,500	.....
	F.	15,000	50,500	28,500	5,250	.....	5,500	9,000	3,500	1,000	3,900
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #7. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #8. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #9. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #10	S.	350	800	.....	.....	1,500	.....	1,700	.....	.....	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #11. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #12	S.	1,750	850	2,200	2,550	4,900	7,550	5,100	5,250	.....	250
	F.	3,400	8,850	8,750	6,800	6,500	30,100	14,400	3,500	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #14. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

465

		1920—Week ending—								
		1/3	1/10	1/17	1/24	1/31	2/7	2/14	2/21	2/28
Sub. #1	S.	50	250	50	750	800	500	500	.....	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #2. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #3	S.	2,100	150	950	3,500	.....	2,400	450	.....	3,550
	F.	.....	.....	.....	.....	13,600	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #4. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #5. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #6	S.	250	2,700	2,050	.....	3,450	250	1,500	550	.....
	F.	.....	.....	300	12,850	8,000	.....	.....	.....	3,000
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #7. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #8. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #9. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #10. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #11. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #12	S.	.....	1,500	.....	.....	.....	.....	.....	.....	.....
	F.	.....	.....	900	2,450	4,450	18,500	7,622	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #14. No sales.		.....	.....	.....	.....	.....	.....	.....	.....	.....

ZONE # 4.—*Oil sales (taken from weekly sales reports)*—Continued.

466		1920—Week ending—							
		3/6	3/13	3/20	3/27	4/3	4/10	4/17	4/24
Sub. #1	S.	550	250	250	50				250
	F.	6,700	33,250			3,000			
	U.								
Sub. #2. No sales									
Sub. #3	S.	2,000	250	1,600		2,000	2,000	3,100	1,250
	F.			750					
	U.								
Sub. #4. No sales									
Sub. #5. No sales									
Sub. #6	S.	7,050	4,900	1,000					
	F.			7,250					
	U.								
Sub. #7. No sales									
Sub. #8. No sales									
Sub. #9. No sales									
Sub. #10	S.	3,200		1,250	2,100				
	F.								
	U.								
Sub. #11. No sales									
Sub. #14. No sales									

467		1920—Week ending—								
		5/1	5/8	5/15	5/22	5/29	6/5	6/12	6/19	6/26
Sub. #1	S.			250	950	1,100				3,400
	F.		500					1,000		
	U.									
Sub. #2. No sales										
Sub. #3	S.	1,300	2,600	1,750	1,950		650			
	F.			6,800			4,500			10,200
	U.									
Sub. #4. No sales										
Sub. #5. No sales										
Sub. #7. No sales										
Sub. #8. No sales										
Sub. #9. No sales										
Sub. #10	S.									950
	F.									3,400
	U.									
Sub. #11. No sales										
Sub. #14. No sales										

Zone #5.—*Oil sales (taken from weekly sales reports).*

468		1918—Week ending—								
		10/5	10/12	10/19	10/26	11/2	11/9	11/16	11/23	11/30
Sub. #1. No sales										
Sub. #2	S.									
	F.									
	U.	202	211	315		548		99	49	
Sub. #3	S.	1,500					2,450	1,100	550	1,700
	F.									
	U.		2,400	1,700						
Sub. #4. No sales										
Sub. #5. No sales										
Sub. #6	S.				1,100		1,500	200		
	F.									
	U.									
Sub. #7. No sales										
Sub. #8. No sales										
Sub. #9. No sales										
Sub. #10. No sales										
Sub. #11. No sales										
Sub. #12. No sales										

ZONE # 5.—*Oil sales (taken from weekly sales reports)*—Continued.

469	1918—Week ending—				1919—Week ending—					
	12/7	12/14	12/21	12/28	1/4	1/11	1/18	1/25	2/1	2/8
Sub. #1. No sales.										
Sub. #2. No sales.										
Sub. #3. S.						750	250	650	950	1,450
Sub. #3. F.										
Sub. #3. U.										
Sub. #4. No sales.										
Sub. #5. No sales.										
Sub. #6. S.	100		450	50			550	50		
Sub. #6. F.										
Sub. #6. U.										
Sub. #7. No sales.										
Sub. #8. No sales.										
Sub. #9. No sales.										
Sub. #10. No sales.										
Sub. #11. No sales.										
Sub. #12. S.						1,050	2,150	3,400	550	800
Sub. #12. F.										
Sub. #12. U.		1,250	850	1,200						

470	1919—Week ending—									
	2/15	2/22	3/1	3/8	3/15	3/22	3/29	4/5	4/12	4/19
Sub. #1. No sales.										
Sub. #2. No sales.										
Sub. #3. S.		3,100	1,000	450	250	650	450	850	600	50
Sub. #3. F.										
Sub. #3. U.										
Sub. #4. No sales.										
Sub. #5. No sales.										
Sub. #6. S.	50	900	450	300	400	300	800	1,450	2,500	350
Sub. #6. F.				2,230					4,000	
Sub. #6. U.										
Sub. #7. No sales.										
Sub. #8. No sales.										
Sub. #9. No sales.										
Sub. #10. No sales.										
Sub. #11. No sales.										
Sub. #12. S.	850	1,750	900	2,350	1,500	2,450	3,150	3,000	3,950	1,150
Sub. #12. F.										320
Sub. #12. U.										
Sub. #14. No sales.										

471	1919—Week ending—									
	4/26	5/3	5/10	5/17	5/24	5/31	6/7	6/14	6/21	6/28
Sub. #1. S.	4,400	4,150	1,250	11,857	5,200	1,900	7,952	3,850	2,000	3,350
Sub. #1. F.	3,500	1,750			500	1,000	500			750
Sub. #1. U.										
Sub. #2. No sales.										
Sub. #3. S.	2,300				350				2,500	
Sub. #3. F.										
Sub. #3. U.										
Sub. #4. No sales.										
Sub. #5. No sales.										
Sub. #6. S.	1,250	200	550	1,450		4,400		1,200	950	1,050
Sub. #6. F.					1,700					
Sub. #6. U.										
Sub. #7. No sales.										
Sub. #8. No sales.										
Sub. #9. No sales.										
Sub. #10. No sales.										
Sub. #11. No sales.										
Sub. #12.	4,850 2,250									
Sub. #14. No sales.										

ZONE # 5.—*Oil sales (taken from weekly sales reports)*—Continued.

472

		1919—Week ending—								
		7/5	7/12	7/19	7/26	8/2	8/9	8/16	8/23	8/30
Sub. #1	S.	.....	4,250	150	2,100	350	100	750	.....	2,700
	F.	.....	.....	.....	.....	.....	250	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #2. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #3	S.	400	.....	.....	.....	.....	.....	.....	700	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #4. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #5. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #6	S.	1,850	1,600	1,600	4,250	2,350	4,000	950	950	1,700
	F.	.....	.....	.....	.....	.....	.....	.....	.....	1,500
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #7. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #8. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #9. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #10. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #11. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #12	S.	1,750	3,700	2,900	1,750	4,950	1,100	300	750	1,250
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #14. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....

473

		1919—Week ending—						
		9/6	9/13	9/20	9/27	10/4	10/11	10/18
Sub. #1	S.	1,450	1,200	.....	350	.....	.....	550
	F.	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....
Sub. #2. No sales		.....	.....	.....	.....	.....	.....	.....
Sub. #3	S.	.....	1,300	.....	.....	350	.....	2,500
	F.	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....
Sub. #4. No sales		.....	.....	.....	.....	.....	.....	.....
Sub. #5. No sales		.....	.....	.....	.....	.....	.....	.....
Sub. #6	S.	3,900	2,700	5,300	1,350	1,950	3,300	3,050
	F.	.....	.....	.....	1,000	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....
Sub. #7. No sales		.....	.....	.....	.....	.....	.....	.....
Sub. #8. No sales		.....	.....	.....	.....	.....	.....	.....
Sub. #9. No sales		.....	.....	.....	.....	.....	.....	.....
Sub. #10. No sales		.....	.....	.....	.....	.....	.....	.....
Sub. #11. No sales		.....	.....	.....	.....	.....	.....	.....
Sub. #12	S.	1,700	1,700	1,550	1,300	2,150	6,800	100
	F.	.....	.....	.....	1,400	.....	.....	500
	U.	.....	.....	.....	.....	.....	.....	.....
Sub. #14. No sales		.....	.....	.....	.....	.....	.....	.....

474

		1919—Week ending—									
		10/25	11/1	11/8	11/15	11/22	11/29	12/6	12/13	12/20	12/27
Sub. #1	S.	250	.....	250	700	950	1,500	1,610	200	.....	750
	F.	250	.....	.....	500	10,200	5,000	1,250	1,500	.....	2,500
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #2. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #3	S.	1,700	1,500	800	1,050	1,100	.....	1,750	.....	.....	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #4. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #5. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #6	S.	1,100	2,100	1,300	2,450	650	4,450	.....	2,050	1,200	450
	F.	.....	10,500	.....	.....	.....	1,300	.....	9,700	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #7. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #8. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #9. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #10. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #11. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #12	S.	700	1,900	1,150	3,800	1,700	3,650	3,600	1,750	.....	.....
	F.	1,600	900	11,300	6,050	17,000	9,800	1,350	4,050	.....	4,050
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #14. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

ZONE # 5.—*Oil sales (taken from weekly sales reports)*—Continued.

475

		1920—Week ending—								
		1/3	1/10	1/17	1/24	1/31	2/7	2/14	2/21	2/28
Sub. #1	S.		500	500	500	50	250	750	100	750
	F.	1,000	500		1,250					
	U.									
Sub. #2. No sales										
Sub. #3	S.	1,250	750	1,150	600		5,000			
	F.									
	U.									
Sub. #4. No sales										
Sub. #5. No sales										
Sub. #6	S.	350	750	1,150	950	2,150	1,300	500	1,650	1,250
	F.				3,200	14,700			2,500	
	U.									
Sub. #7. No sales										
Sub. #8. No sales										
Sub. #9. No sales										
Sub. #10. No sales										
Sub. #11. No sales										
Sub. #12	S.									
	F.	300	1,000	1,300	950	3,400	950	1,050		
	U.									
Sub. #14. No sales										

476

		1920—Week ending—							
		3/6	3/13	3/20	3/27	4/3	4/10	4/17	4/24
Sub. #1	S.		1,050		1,350	450	250	1,100	1,800
	F.	1,250			500	1,250		500	
	U.								
Sub. #2. No sales									
Sub. #3	S.					2,900	1,850	650	750
	F.								
	U.								
Sub. #4. No sales									
Sub. #5. No sales									
Sub. #6	S.	2,250	1,150	300					
	F.	7,500							
	U.								
Sub. #7. No sales									
Sub. #8. No sales									
Sub. #9. No sales									
Sub. #10. No sales									
Sub. #11. No sales									
Sub. #14. No sales									

477

		1920—Week ending—								
		5/1	5/8	5/15	5/20	5/29	6/5	6/12	6/19	6/26
Sub. #1	S.	1,300	500	3,700	900	250	2,900	4,500	700	50
	F.								15,750	3,500
	U.									
Sub. #2. No sales										
Sub. #3	S.	950	200	2,300	900		1,900		1,800	3,250
	F.									
	U.									
Sub. #4. No sales										
Sub. #5. No sales										
Sub. #7. No sales										
Sub. #8. No sales										
Sub. #9. No sales										
Sub. #10. No sales										
Sub. #11. No sales										
Sub. #14. No sales										

478 *Zone #6.—Oil sales (taken from weekly sales reports).*

	1918—Week ending—								
	10/5	10/12	10/19	10/26	11/2	11/9	11/16	11/23	11/30
Sub. #1. No sales									
Sub. #2 S.									
F.				250	443			1,325	
U.									
Sub. #3. No sales									
Sub. #4. No sales									
Sub. #5. No sales									
Sub. #6 S.		50	800		850	250		50	600
F.									
U.									
Sub. #7. No sales									
Sub. #8. No sales									
Sub. #9. No sales									
Sub. #10 S.									
F.									
U.	50								
Sub. #11. No sales									
Sub. #12 S.									
F.				8,300	100	3,400			250
U.	500								

479	1918—Week ending—				1919—Week ending—				
	12/7	12/14	12/21	12/28	1/4	1/11	1/18	1/25	2/1
Sub. #1. No sales									785
Sub. #2 S.									
F.		51							
U.									
Sub. #3. No sales									
Sub. #4. No sales									
Sub. #5. No sales									
Sub. #6 S.			50				4,200		
F.									
U.									
Sub. #7. No sales									
Sub. #8. No sales									
Sub. #9. No sales									
Sub. #10. No sales									
Sub. #11. No sales									
Sub. #12. No sales									

480	1919—Week ending—								
	2/8	2/15	2/22	3/1	3/8	3/15	3/22	3/29	4/5
Sub. #1. No sales									
Sub. #2 S.	717		358		1,085			302	891
F.									
U.									
Sub. #3. No sales									
Sub. #4. No sales									
Sub. #5. No sales									
Sub. #6 S.		350		600	550		500	350	650
F.									
U.									
Sub. #7. No sales									
Sub. #8. No sales									
Sub. #9 S.									24,000
F.									
U.					1,750		300	50	
Sub. #10 S.									
F.									
U.									
Sub. #11. No sales									
Sub. #12 S.	50								
F.									
U.									

ZONE #6.—*Oil sales (taken from weekly sales reports)*—Continued.

481		1919—Week ending—								
		4/12	4/19	4/26	5/3	5/10	5/17	5/24	5/31	6/7
Sub. #1	S.				442	52	200	80	113	30
	F.									
	U.									
Sub. #2	S.	1,100	800	750	900	1,300	400	1,600		2,000
	F.									
	U.									
Sub. #3	S.									
	F.			24,900			3,500		8,000	
	U.									
Sub. #4. No sales										
Sub. #5.										
Sub. #6	S.	8,600	450	900	600	650				
	F.									
	U.									
Sub. #7. No sales										
Sub. #8. No sales										
Sub. #9	S.									
	F.	50,000								
	U.									
Sub. #10	S.	2,450		950		600		1,250	2,750	800
	F.									
	U.									
Sub. #11. No sales										
Sub. #12	S.									
	F.						16,600			
	U.									
Sub. #14. No sales										

482		1919—Week ending—								
		6/14	6/21	6/28	7/5	7/12	7/19	7/26	8/2	8/9
Sub. #1	S.	294	51	201						
	F.									
	U.									
Sub. #2	S.	2,300	300	1,600	2,800	300			500	800
	F.									
	U.									
Sub. #3. No sales										
Sub. #4	S.					550				
	F.									
	U.									
Sub. #5. No sales										
Sub. #6	S.	300	700		250					250
	F.									
	U.									
Sub. #7. No sales										
Sub. #8. No sales										
Sub. #9. No sales										
Sub. #10	S.	500			2,000					
	F.									
	U.									
Sub. #11. No sales										
Sub. #12	S.							100		
	F.									
	U.									
Sub. #14. No sales										

ZONE #6.—*Oil sales (taken from weekly sales reports)*—Continued.

483

	1919—Week ending—							
	8/16	8/23	8/30	9/6	9/13	9/20	9/27	10/4
Sub. #1. No sales								
Sub. #2. S.		500	1,500	1,200	2,650	400	1,000	800
F.								
U.								
Sub. #3. S.								8,000
F.								
U.								
Sub. #4. No sales								
Sub. #5. No sales								
Sub. #6. S.	6,400		650					
F.								
U.								
Sub. #7. No sales								
Sub. #8. No sales								
Sub. #9. No sales								
Sub. #10. S.							200	
F.			1,150					
U.								
Sub. #11. No sales								
Sub. #12. S.				250		450	200	850
F.								8,300
U.								
Sub. #14. No sales								

484

	1919—Week ending—								
	10/11	10/18	10/25	11/1	11/8	11/15	11/22	11/29	12/6
Sub. #1. No sales									
Sub. #2. S.	500	1,250			1,500		2,000		
F.									
U.									
Sub. #3. No sales									
Sub. #4. No sales									
Sub. #5. No sales									
Sub. #6. S.	100	950				1,400	300	650	
F.									
U.									
Sub. #7. No sales									
Sub. #8. No sales									
Sub. #9. No sales									200
Sub. #10. S.	450	150	950						
F.									
U.									
Sub. #11. No sales									
Sub. #12. S.						500	600	800	
F.									
U.									
Sub. #14. No sales									

485

	1919—Week ending—		
	12/13	12/20	12/27
Sub. #1. No sales			
Sub. #2. S.	200	100	
F.			
U.			
Sub. #3. No sales			
Sub. #4. No sales			
Sub. #5. No sales			
Sub. #6. S.	300	50	
F.			
U.			
Sub. #7. No sales			
Sub. #8. No sales			
Sub. #9. No sales			
Sub. #10. No sales			
Sub. #11. No sales			
Sub. #12. S.	900		
F.		250	
U.			
Sub. #14. No sales			

ZONE #6.—*Oil sales (taken from weekly sales reports)*—Continued.

486	1920—Week ending—								
	1/3	1/10	1/17	1/24	1/31	2/7	2/14	2/21	2/28
Sub. #1. No sales									
Sub. #2. S.	200	800				300		500	300
Sub. #2. F.									
Sub. #2. U.									
Sub. #3. S.					6,000				
Sub. #3. F.									
Sub. #3. U.									
Sub. #4. No sales									
Sub. #5. No sales									
Sub. #6. S.					7,000	450			1,000
Sub. #6. F.									
Sub. #6. U.									
Sub. #7. No sales									
Sub. #8. No sales									
Sub. #9. No sales									
Sub. #10. S.			750	200				500	550
Sub. #10. F.									
Sub. #10. U.									
Sub. #11. No sales									
Sub. #12. S.									
Sub. #12. F.			550		150	250	250		
Sub. #12. U.									
Sub. #14. No sales									

487	1920—Week ending—							
	3/6	3/13	3/20	3/27	4/3	4/10	4/17	4/24
Sub. #1. No sales								
Sub. #2. S.		300	300		200		300	450
Sub. #2. F.								
Sub. #2. U.								
Sub. #3. S.								
Sub. #3. F.								
Sub. #3. U.								
Sub. #4. No sales								
Sub. #5. No sales								
Sub. #6. No sales								
Sub. #7. No sales								
Sub. #8. No sales								
Sub. #9. No sales								
Sub. #10. S.	800	750					1,100	
Sub. #10. F.								
Sub. #10. U.								
Sub. #11. No sales								
Sub. #14. No sales								

488	1920—Week ending—								
	5/1	5/8	5/15	5/22	5/29	6/5	6/12	6/19	6/26
Sub. #1. No sales									
Sub. #2. S.			750				1,500		
Sub. #2. F.									
Sub. #2. U.									
Sub. #3. No sales									
Sub. #4. No sales									
Sub. #5. No sales									
Sub. #7. No sales									
Sub. #8. No sales									
Sub. #9. No sales									
Sub. #10. S.	600	100						600	
Sub. #10. F.									
Sub. #10. U.									
Sub. #11. No sales									
Sub. #14. No sales									

489 ZONE #7.—*Oil sales (taken from weekly sales report).*

	1918—Week ending—								
	10/5	10/12	10/19	10/26	11/2	11/9	11/16	11/23	11/30
Sub. #1. No sales									
Sub. #2. No sales									
Sub. #3. No sales									
Sub. #4. No sales									
Sub. #5. No sales									
Sub. #6. No sales									
Sub. #7. No sales									
Sub. #8. No sales									
Sub. #9. No sales									
Sub. #10. No sales									
Sub. #11. No sales									
Sub. #12. S.									
Sub. #12. F.	3,400								
Sub. #12. U.	150	50		450			250		500

490

	1918—Week ending—				1919—Week ending—			
	12/7	12/14	12/21	12/28	1/4	1/11	1/18	1/25
Sub. #1. No sales								
Sub. #2. No sales								
Sub. #3. S.	250		800	300		250	2,300	1,000
Sub. #3. F.								
Sub. #3. U.								
Sub. #4. No sales								
Sub. #5. No sales								
Sub. #6. No sales								
Sub. #7. No sales								
Sub. #9. No sales								
Sub. #10. No sales								
Sub. #11. No sales							3,400	
Sub. #12. S.								
Sub. #12. F.								
Sub. #12. U.								

491

	1919—Week ending—								
	2/1	2/8	2/15	2/22	3/1	3/8	3/15	3/22	3/29
Sub. #1. No sales									
Sub. #2. No sales									
Sub. #3. S.	450	750	900	950	2,400	1,300	2,600	1,400	1,200
Sub. #3. F.					4,000				8,000
Sub. #3. U.									
Sub. #4. No sales									
Sub. #5. No sales									
Sub. #6. No sales									
Sub. #7. No sales									
Sub. #8. No sales									
Sub. #9. No sales									
Sub. #10. S.		300		1,500	350	200	700	600	650
Sub. #10. F.									
Sub. #10. U.									
Sub. #11. No sales									
Sub. #12. No sales									

ZONE #7.—*Oil sales (taken from weekly sales report)*—Continued.

492	1919—Week ending—								
	4/5	4/12	4/19	4/26	5/3	5/10	5/17	5/24	5/31
Sub. #1. S.				6,000	1,450	850	4,650	4,770	3,700
Sub. #1. F.				750					
Sub. #1. U.									
Sub. #2. No sales.									
Sub. #3. S.	3,150	4,150	1,350	2,850		4,000	4,250	650	200
Sub. #3. F.		10,000		8,000			13,600		8,000
Sub. #3. U.									
Sub. #4. No sales.									
Sub. #5. No sales.									
Sub. #6. S.					2,150			950	
Sub. #6. F.									
Sub. #6. U.									
Sub. #7. No sales.									
Sub. #8. No sales.									
Sub. #9. No sales.									
Sub. #10. S.	300	1,200		1,450	230		850	150	1,050
Sub. #10. F.									
Sub. #10. U.									
Sub. #11. No sales.									
Sub. #12. S.				4,600					
Sub. #12. F.									
Sub. #12. U.									

493	1919—Week ending—									
	6/7	6/14	6/21	6/28	7/5	7/12	7/19	7/26	8/2	8/9
Sub. #1. S.	2,550	900	500	3,150		3,000				
Sub. #1. F.				750						
Sub. #1. U.										
Sub. #2. No sales.										
Sub. #3. S.		1,450	1,600		2,200	1,750	2,100			2,300
Sub. #3. F.				6,000						
Sub. #3. U.										
Sub. #4. S.						3,550	70			
Sub. #4. F.										
Sub. #4. U.										
Sub. #5. No sales.										
Sub. #6. S.			50		3,500				50	
Sub. #6. F.										
Sub. #6. U.										
Sub. #7. No sales.										
Sub. #8. No sales.										
Sub. #9. No sales.										
Sub. #10. S.	850	2,100				2,400				
Sub. #10. F.		3,400								
Sub. #10. U.										
Sub. #11. No sales.										
Sub. #12. S.										
Sub. #12. F.					340					
Sub. #12. U.										
Sub. #14. No sales.										

494	1919—Week ending—									
	8/16	8/23	8/30	9/6	9/13	9/20	9/27	10/4	10/11	10/18
Sub. #1. S.							500			
Sub. #1. F.										
Sub. #1. U.										
Sub. #2. No sales.										
Sub. #3. S.		1,200	1,900	450	2,550	2,550	1,500	1,900		5,150
Sub. #3. F.				13,600						
Sub. #3. U.										
Sub. #4. No sales.										
Sub. #5. No sales.										
Sub. #6. No sales.										
Sub. #7. No sales.										
Sub. #8. No sales.										
Sub. #9. No sales.										
Sub. #10. S.			550	100	700	1,400	3,400	250		
Sub. #10. F.										
Sub. #10. U.										
Sub. #11. No sales.										
Sub. #12. No sales.										
Sub. #14. No sales.										

ZONE #7.—*Oil sales (taken from weekly sales report)*—Continued.

495		1919—Week ending—									
		10/25	11/1	11/8	11/15	1/212	11/29	12/6	12/13	12/20	12/27
Sub. #1	S.					1,300		200			
	F.										
	U.										
Sub. #2. No sales.											
Sub. #3	S.	2,600	700	1,350	9,000	1,450	1,750	1,600	1,950	600	700
	F.							3,400			
	U.										
Sub. #4. No sales.											
Sub. #5	S.									10,000	
	F.										
	U.										
Sub. #6	S.			3,750	1,000						
	F.			3,500							
	U.										
Sub. #7. No sales.											
Sub. #8. No sales.											
Sub. #9. No sales.											
Sub. #10	S.	200									
	F.										
	U.										
Sub. #11	S.						17,500				
	F.										
	U.										
Sub. #12	S.										200
	F.										
	U.										
Sub. #14. No sales.											

496		1920—Week ending—								
		1/3	1/10	1/17	1/24	1/31	2/7	2/14	2/21	2/28
Sub. #1	S.	550		500	500	500	500		500	
	F.									
	U.									
Sub. #2. No sales.										
Sub. #3	S.	750			7,550	2,300		2,150		9,100
	F.						1,250			1,500
	U.									
Sub. #4. No sales.										
Sub. #5. No sales.										
Sub. #6	S.								1,050	950
	F.					3,500				1,000
	U.									
Sub. #7. No sales.										
Sub. #8. No sales.										
Sub. #9. No sales.										
Sub. #10	S.							3,400	650	
	F.									
	U.									
Sub. #11. No sales.										
Sub. #12	S.									
	F.	400	50		2,100					
	U.									
Sub. #14. No sales.										

497		1920—Week ending—							
		3/6	3/13	3/20	3/27	4/3	4/10	4/17	4/24
Sub. #1	S.		7,250			500	500	500	
	F.								
	U.								
Sub. #2	S.				400				
	F.								
	U.								
Sub. #3	S.	4,900	3,250	4,950		5,100	2,300	3,900	1,350
	F.								
	U.								
Sub. #4. No sales.									
Sub. #5. No sales.									
Sub. #6	S.		2,800	900					
	F.								
	U.								
Sub. #7. No sales.									
Sub. #8. No sales.									
Sub. #9. No sales.									
Sub. #10	S.		1,350	350			700		3,400
	F.								
	U.								
Sub. #11. No sales.									
Sub. #14. No sales.									

ZONE #7.—*Oil sales (taken from weekly sales report)*—Continued.

498

		1920—Week ending—								
		5/1	5/8	5/15	5/22	5/29	6/5	6/12	6/19	6/26
Sub. #1	S.		3,500							
	F.									
	U.									
Sub. #2. No sales.										
Sub. #3	S.	2,600	3,400	1,450	1,450	2,300	3,600	1,550	2,450	3,850
	F.									
	U.									
Sub. #4. No sales.										
Sub. #5. No sales.										
Sub. #7. No sales.										
Sub. #8. No sales.										
Sub. #9. No sales.										
Sub. #10. No sales.										
Sub. #11. No sales.										
Sub. #14. No sales.										

499

ZONE #8.—*Oil sales (taken from weekly sales reports).*

		1918—Week ending—							
		10/5	10/12	10/19	10/26	11/2	11/9	11/16	11/23
Sub. #1. No sales.									
Sub. #2. No sales.									
Sub. #3	S.	1,000				800		25	500
	F.		1,250						
	U.								
Sub. #4. No sales.									
Sub. #5. No sales.									
Sub. #6	S.		2,750	3,400	14,100	1,700	1,850	1,750	2,250
	F.								
	U.	100							
Sub. #7. No sales.									
Sub. #8. No sales.									
Sub. #9. No sales.									
Sub. #10. No sales.									
Sub. #11. No sales.									
Sub. #12	S.								
	F.								
	U.	2,900	1,600	3,800	3,950	1,950	1,525	1,350	700

500

		1918—Week ending—					1919—Week ending—		
		11/30	12/7	12/14	12/21	12/28	1/4	1/11	1/18
Sub. #1	S.				1,101	369	909	338	3,744
	F.								
	U.								
Sub. #2. No sales.									
Sub. #3	S.	1,350						1,900	700
	F.								
	U.								
Sub. #4. No sales.									
Sub. #5. No sales.									
Sub. #6	S.	50	2,300	7,850	100	450	150	1,900	1,150
	F.							7,500	
	U.								
Sub. #7. No sales.									
Sub. #8. No sales.									
Sub. #9. No sales.									
Sub. #10. No sales.									
Sub. #11. No sales.									
Sub. #12	S.							950	2,750
	F.					8,300		8,300	
	U.	2,550	4,750	700	400	4,050	200		

ZONE #8.—*Oil sales (taken from weekly sales reports)*—Continued.

501		1919—Week ending—								
		1/25	2/1	2/8	2/15	2/22	3/1	3/8	3/15	3/22
Sub. #1	S.	155	829	652	3,040	1,963	923	5,390	198	1,664
	F.				1,500	25,000				
	U.									
Sub. #2. No sales.										
Sub. #3	S.	350		950	2,100	1,400	1,300	150	2,450	1,600
	F.							5,250		
	U.									
Sub. #4. No sales.										
Sub. #5. No sales.										
Sub. #6	S.	2,300	4,450	2,250	3,050	10,850	2,400	2,250	900	750
	F.					6,000	1,500			
	U.									
Sub. #7. No sales.										
Sub. #8. No sales.										
Sub. #9. No sales.										
Sub. #10. No sales.										
Sub. #11. No sales.										
Sub. #12	S.	3,100	6,850	1,950	1,800	14,100	18,750	5,200	10,550	2,550
	F.							10,000		
	U.									

502		1919—Week ending—								
		3/29	4/5	4/12	4/19	4/26	5/3	5/10	5/17	5/24
Sub. #1	S.	210	2,242	4,781	1,709	1,149	422	1,356	3,750	3,972
	F.									
	U.									
Sub. #2. No sales										
Sub. #3	S.		9,450	700	50	1,300	600		2,900	900
	F.	3,500	3,400	7,650		49,850			12,000	
	U.									
Sub. #4. No sales										
Sub. #5. No sales										
Sub. #6	S.	5,700		18,180	700	750		900	2,300	
	F.			1,500		64,600				1,150
	U.									
Sub. #7. No sales										
Sub. #8	S.		3,700							
	F.									
	U.									
Sub. #9	S.									
	F.					100,000				
	U.									
Sub. #10. No sales										
Sub. #11. No sales										
Sub. #12	S.	2,800	6,900	5,000	1,550	12,500			2,850	5,850
	F.				24,850		13,025	1,500		9,500
	U.									
Sub. #14. No sales										

503		1919—Week ending—								
		5/31	6/7	6/14	6/21	6/28	7/5	7/12	7/19	7/26
Sub. #1	S.	4,605	3,050		2,065	6,155		3,142		
	F.	1,500	1,500							
	U.									
Sub. #2. No sales										
Sub. #3	S.	4,250		6,650	900		2,950	2,100	750	1,650
	F.		8,350		1,500		16,250	8,150		
	U.									
Sub. #4. No sales										
Sub. #5. No sales										
Sub. #6	S.	13,750	3,000	4,950	50	3,450	2,550			1,650
	F.	12,750	35,000	5,900						1,000
	U.									
Sub. #7. No sales										
Sub. #8. No sales										
Sub. #9. No sales										
Sub. #10. No sales										
Sub. #11. No sales										
Sub. #12	S.	1,750	4,275	2,700	4,150	1,700	2,350	8,300	1,950	150
	F.	47,250	49,000	32,600				1,000		
	U.									
Sub. #14. No sales										

ZONE #8.—*Oil sales (taken from weekly sales reports)*—Continued.

504

		1919—Week ending—						
		8/2	8/9	8/16	8/23	8/30	9/6	9/13
Sub. #1	S.	2,054	2,850		1,228	5,100		3,200
	F.							
	U.							
Sub. #2. No sales								
Sub. #3	S.	1,500	800		250	1,550	2,000	1,150
	F.			24,650	22,400			7,000
	U.							
Sub. #4. No sales								
Sub. #5. No sales								
Sub. #6	S.		100	300	700	8,850	300	850
	F.	5,500	5,000	500	16,250		1,000	
	U.							
Sub. #7. No sales								
Sub. #8. No sales								
Sub. #9. No sales								
Sub. #10. No sales								
Sub. #11. No sales								
Sub. #12	S.	4,550	1,150	900	1,250	1,450	1,500	800
	F.	3,750	30,000	16,000	1,700	1,000	10,000	
	U.							
Sub. #14. No sales								

505

		1919—Week ending—									
		9/20	9/27	10/4	10/11	10/18	10/25	11/1	11/8	11/15	11/22
Sub. #1	S.	1,821		1,728	1,587	4,987	208	744			
	F.				20,000			12,000		65,000	
	U.										750
Sub. #2. No sales											
Sub. #3	S.	1,150	1,230			5,300	1,600	1,150	1,000	900	1,100
	F.			1,350	30,750		18,000	5,000	11,000	7,500	7,500
	U.										
Sub. #4. No sales											
Sub. #5. No sales											
Sub. #6	S.	1,000	850	850	6,500	2,750	1,700	2,650	5,050	5,700	7,600
	F.		1,000		59,500		14,000	3,000	111,300	7,650	37,600
	U.										
Sub. #7. No sales											
Sub. #8. No sales											
Sub. #9. No sales											
Sub. #10. No sales											
Sub. #11	S.								10,200		
	F.										
	U.										
Sub. #12	S.	650	950	300		1,550	1,000	2,550	1,850	4,600	2,650
	F.		1,050		332,700	15,200	23,000	5,700	17,000	4,600	11,600
	U.										
Sub. # 14—No sales.											

506

		1919—Week ending—				
		11/29	12/6	12/13	12/20	12/27
Sub. #1	S.	3,378	701	1,257		500
	F.			3,500		
	U.					
Sub. #2. No sales						
Sub. #3	S.	2,250	1,150	1,250	350	650
	F.	11,000	11,500		1,500	
	U.					
Sub. #4. No sales						
Sub. #5. No sales						
Sub #6	S.	7,850	8,350	23,800		1,000
	F.	42,000	46,050	12,250	650	3,500
	U.					
Sub. #7. No sales						
Sub. #8. No sales						
Sub. #9. No sales						
Sub. #10. No sales						
Sub. #11. No sales						
Sub. #12	S.	5,650		4,400		
	F.	6,150	5,000	4,400		3,100
	U.			10,000		
Sub. #14. No sales						

ZONE #8.—*Oil sales (taken from weekly sales reports)*—Continued.

507		1920—Week ending—								
		1/3	1/10	1/17	1/24	1/31	2/7	2/14	2/21	2/28
Sub. #1	S.	1,377	4,378			5,509	3,309	290		150
	F.						750	3,500		
	U.									
Sub. #2. No sales										
Sub. #3	S.	400	650		3,050	800		1,350	800	600
	F.		500	3,000	1,500	9,250	800	2,500	8,750	11,000
	U.									
Sub. #4. No sales										
Sub. #5. No sales										
Sub. #6	S.	250	350	250	1,400	1,450	1,400	800	1,800	750
	F.			37,000	15,250	12,900	2,250	3,500	22,500	48,750
	U.									
Sub. #7. No sales										
Sub. #8. No sales										
Sub. #9. No sales										
Sub. #10. No sales										
Sub. #11	S.				500					
	F.									
	U.									
Sub. #12	S.									
	F.	5,350	600	1,600		13,500	1,450	1,750		
	U.									
Sub. #14. No sales										

508		1920—Week ending—							
		3/6	3/13	3/20	3/27	4/3	4/10	4/17	4/24
Sub. #1	S.	1,173	623						422
	F.	14,250							
	U.								
Sub. #2. No sales									
Sub. #3	S.	1,350	1,050		450	500	1,350	1,000	650
	F.	2,500				2,000	8,500		
	U.								
Sub. #4. No sales									
Sub. #5. No sales									
Sub. #6	S.	2,500	5,150	4,000					
	F.	1,250	5,500	46,000					
	U.								
Sub. #7. No sales									
Sub. #8. No sales									
Sub. #9. No sales									
Sub. #10. No sales									
Sub. #11. No sales									
Sub. #14. No sales									

509		1920—Week ending—								
		5/1	5/8	5/15	5/22	5/29	6/5	6/12	6/19	6/26
Sub. #1. No sales										
Sub. #2. No sales										
Sub. #3	S.	1,600	2,550	900	1,800	1,550	500			
	F.									
	U.									
Sub. #4. No sales										
Sub. #5. No sales										
Sub. #7. No sales										
Sub. #8. No sales										
Sub. #9. No sales										
Sub. #10. No sales										
Sub. #11. No sales										
Sub. #14. No sales										

510 *Oil sales in special cities (taken from weekly sales reports).*

		1918—Week ending—				1919—Week ending—				
		10/5	12/14	12/21	12/28	1/4	1/11	1/18	1/25	2/1
Sub. #1	S.		1,899	1,864	346	388	755	1,200	2,159	5,613
	F.									
	U.									
Sub. #2. No sales.										
Sub. #3. No sales.										
Sub. #4. No sales.										
Sub. #5. No sales.										
Sub. #6.	S.									700
	F.									
	U.									
Sub. #7. No sales.										
Sub. #8. No sales.										
Sub. #9. No sales.										
Sub. #10. No sales.										
Sub. #11. No sales.										
Sub. #12.	S.									200
	F.									
	U.	850								

511

		1919—Week ending—									
		2/8	2/15	2/22	3/1	3/8	3/15	3/22	3/29	4/5	4/12
Sub. #1	S.	2,289	3,756	2,599	2,195	4,829	2,587	3,236	1,851	1,242	3,593
	F.			10,500		36,400	750				
	U.										
Sub. #2. No sales.											
Sub. #3.	S.						400	1,250	1,050	950	3,400
	F.										
	U.										
Sub. #4. No sales.											
Sub. #5. No sales.											
Sub. #6. No sales.											
Sub. #7. No sales.											
Sub. #8. No sales.											
Sub. #9. No sales.											
Sub. #10.	S.			250	450	150	150	200	550	200	1,400
	F.										
	U.										
Sub. #11. No sales.											
Sub. #12.	S.			900		1,800	250		650	1,800	
	F.					6,800				3,400	3,400
	U.										

512

		1919—Week ending—									
		4/19	4/26	5/3	5/10	5/17	5/24	5/31	6/7	6/14	6/21
Sub. #1	S.	2,136	3,004	4,141	1,832		1,774	3,852	1,324	3,688	2,658
	F.	350					22,000	5,650	3,400		
	U.										
Sub. #2. No sales.											
Sub. #3.	S.		1,500		3,600	1,000		850		800	
	F.								5,500		3,400
	U.										
Sub. #4. No sales.											
Sub. #5. No sales.											
Sub. #6. No sales.											
Sub. #7. No sales.											
Sub. #8. No sales.											
Sub. #9. No sales.											
Sub. #10.	S.					150	450	900	250	350	
	F.										
	U.										
Sub. #11. No sales.											
Sub. #12.	S.	900	450		1,500	300	9,00	1,450	1,450	2,800	750
	F.	3,750	10,200	1,550	500	3,400	5,150	2,500	2,200	3,000	800
	U.										
Sub. #14. No sales.											

Oil sales in special cities (taken from weekly sales reports)—Continued.

513

		1919—week ending—									
		6/28	7/5	7/12	7/19	7/26	8/2	8/9	8/16	8/23	8/30
Sub. #1	S.	1,280	11,176	7,446	2,711	1,750	2,850	1,550	2,100	9,750	2,600
	F.		3,750		250		250		250	250	
	U.										
Sub. #2. No sales.											
Sub. #3	S.		1,150	1,050		2,700		1,900		150	
	F.		1,500								6,800
	U.										
Sub. #4. No sales.											
Sub. #5. No sales.											
Sub. #6	S.										
	F.										
	U.										
Sub. #7. No sales.											
Sub. #8. No sales.											
Sub. #9. No sales.											
Sub. #10	S.							750	750	550	350
	F.										
	U.										
Sub. #11. No sales.											
Sub. #12	S.	1,150	250	2,150	600	1,000	1,550	500	600	700	3,050
	F.		40,800		13,600						
	U.										
Sub. #14. No sales.											

514

		1919—Week ending—						
		9/6	9/13	9/20	9/27	10/4	10/11	10/18
Sub. #1	S.	1,100	10,050	1,650	2,650	7,322	6,900	2,850
	F.	13,600		95,200	8,000		101,550	3,750
	U.							
Sub. #2. No sales.								
Sub. #3	S.	1,250		2,850	350	1,250		5,050
	F.					3,500	88,500	25,000
	U.							
Sub. #4. No sales.								
Sub. #5. No sales.								
Sub. #6. No sales.								
Sub. #7. No sales.								
Sub. #8	S.		350	1,050	150	1,400	700	450
	F.			550				1,750
	U.							
Sub. #9. No sales.								
Sub. #10	S.	400	300	200		100		
	F.							
	U.							
Sub. #11. No sales.								
Sub. #12	S.	300	1,150	900	200	1,300	3,400	2,000
	F.				250	300		250
	U.							
Sub. #14. No sales.								

515

		1919—Week ending—									
		10/25	11/1	11/8	11/15	11/22	11/29	1/26	12/13	12/20	12/27
Sub. #1	S.	2,350	10,550	2,100	4,771	3,550	3,750	2,500	1,450	750	50
	F.	4,000	101,250	57,000	10,000	9,300	4,500	33,000	250	42,750	600
	U.										
Sub. #2. No sales.											
Sub. #3	S.	950	1,100	1,300	2,400	2,700	1,150	1,450	650	750	500
	F.	1,500	21,000	7,000				21,100			3,000
	U.										
Sub. #4. No sales.											
Sub. #5. No sales.											
Sub. #6	S.						10,500	1,500	4,100		
	F.						7,200	21,500			
	U.										
Sub. #7. No sales.											
Sub. #8	S.	550	650	450	100	1,500	150	250	100	250	
	F.					450				500	
	U.										
Sub. #9. No sales.											
Sub. #10. No sales.											
Sub. #11. No sales.											
Sub. #12	S.	1,300	150	1,300	1,050	2,000	350				
	F.			13,650			6,000	17,000			
	U.										
Sub. #14. No sales.											

Oil sales in special cities (taken from weekly sales reports)—Continued.

516

		1920—Week ending—								
		1/3	1/10	1/17	1/24	1/31	2/7	2/14	2/21	2/28
Sub. #1	S.	600	2,300	2,600	1,900	1,350	700	2,400	1,200	1,350
	F.	4,750	1,000	1,500	2,500	.....	10,750	.....	1,150	1,500
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #2. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #3	S.	.....	1,950	250	500	750	250	.....	500	.....
	F.	.....	.....	.....	.....	.....	.....	3,400	.....	6,800
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #4. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #5. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #6	S.	.....	.....	.....	.....	.....	.....	.....	100	150
	F.	.....	.....	.....	250	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #7. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #8	S.	50	900	100	100	350	150	300	400	950
	F.	.....	700	1,000	200	1,900	300	200	150	50
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #9. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #10. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #11. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub #12	S.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	F.	150	500	500	4,450	9,700	18,850	24,350	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #14. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....

517

		1920—Week ending—							
		3/6	3/13	3/20	3/27	4/3	4/10	4/17	4/24
Sub. #1	S.	1,000	1,750	1,450	2,700	1,700	3,050	3,650	1,500
	F.	.....	46,600	1,250	500	1,600	1,850	500	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #2. No sales		.....	.....	.....	.....	.....	.....	.....	.....
Sub. #3	S.	.....	.....	750	600	825	1,000	850	3,350
	F.	13,600	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #4. No sales		.....	.....	.....	.....	.....	.....	.....	.....
Sub. #5. No sales		.....	.....	.....	.....	.....	.....	.....	.....
Sub. #6	S.	.....	.....	150	.....	.....	.....	.....	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #7. No sales		.....	.....	.....	.....	.....	.....	.....	.....
Sub. #8	S.	400	950	1,000	1,900	2,200	1,100	300	850
	F.	150	.....	.....	.....	.....	200	50	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #9. No sales		.....	.....	.....	.....	.....	.....	.....	.....
Sub. #10. No sales		.....	.....	.....	.....	.....	.....	.....	.....
Sub. #11. No sales		.....	.....	.....	.....	.....	.....	.....	.....
Sub. #14. No sales		.....	.....	.....	.....	.....	.....	.....	.....

518

		1920—Week ending—								
		5/1	5/8	5/15	5/22	5/29	6/5	6/12	6/19	6/26
Sub. #1	S.	1,100	150	2,350	3,950	2,050	250	.....	200	550
	F.	.....	.....	.....	.....	.....	.....	.....	.....	4,500
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #2. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #3	S.	750	1,750	2,150	3,525	2,050	450	1,550	1,150	.....
	F.	.....	.....	.....	.....	.....	.....	.....	.....	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #4. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #5. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #7. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #8	S.	750	2,300	250	.....	100	300	100	50	.....
	F.	.....	1,550	.....	.....	.....	.....	.....	300	.....
	U.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #9. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #10. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #11. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #14. No sales		.....	.....	.....	.....	.....	.....	.....	.....	.....

519 ZONE #1.—*Oil sale to council members (taken from weekly sales reports).*

		1919—Week ending—								
		2/1	2/8	2/15	2/22	3/1	3/8	3/15	3/22	3/29
Sub. #1	S.					25,000				
	F.									
	U.									
Sub. #2. No sales										
Sub. #3	S.						8,000			
	F.			1,250	38,245	52,500	57,500	50,000		
	U.									
Sub. #4, 5, and 6. No sales										
Sub. #7	S.	8,371		8,371			16,600			
	F.						24,900		8,300	
	U.									
Sub. #8, 9, 10, 11, and 12. No sales										

		1919—Week ending—								
		4/5	4/12	4/19	4/26	5/3	5/10	5/17	5/24	5/31
Sub. #1. No sales										
Sub. #2	S.									7,000
	F.									
	U.									
Sub. #3	S.	5,800			115,000			108,000		
	F.									
	U.									
Sub. #4 and 5. No sales										8,000
Sub. #6	S.									50,000
	F.				33,000			16,000	15,000	
	U.									25,000
Sub. #7	S.		8,376							8,300
	F.				66,400	25,000		24,900		
	U.									
Sub. #8. No sales									8,000	
Sub. #9	S.									
	F.				3,500					
	U.									
520 Sub. #10 and 11. No sales										3,500
Sub. #12	S.	3,750							34,000	38,600
	F.		8,700		3,400					
	U.									

		1919—Week ending—								
		6/7	6/14	6/21	6/28	7/5	7/12	7/19	7/26	8/2
Sub. #1	S.									
	F.		3,400							
	U.									
Sub. #2	S.		3,400	3,400					7,800	
	F.					3,400				
	U.									
Sub. #3	S.									
	F.					25,000				
	U.						2,000			
Sub. #4	S.									
	F.		8,000		1,500					
	U.									
Sub. #5	S.	7,500	5,000							
	F.									
	U.									
Sub. #6	S.									
	F.	8,000				50,000		50,000		
	U.									
Sub. #7	S.									
	F.		8,300	8,300						
	U.									
Sub. #8, 9, 10, and 11. No sales										
Sub. #12	S.	3,500								
	F.	113,800						50,000	25,000	
	U.									
Sub. #14. No sales										

ZONE # 1.—*Oil sale to council members (taken from weekly sales reports)*—Con.

521		1919—Week ending—								
		8/9	8/16	8/23	8/30	9/6	9/13	9/20	9/27	10/4
Sub. #1	S.			26,500						
	F.									
	U.									
Sub. #2. No sales										
Sub. #3	S.							6,250		
	F.	25,000			25,000	50,000		25,000		53,000
	U.									
Sub. #4	S.									
	F.					13,000			32,000	
	U.									
Sub. #5	S.				8,000					
	F.									3,400
	U.									
Sub. #6	S.			8,000		10,350				
	F.									
	U.									
Sub. #7	S.									
	F.					25,000				
	U.									
Sub. #8, 9, 10, 11, 12, and 14. No sales										

		1919—Week ending—								
		10/11	10/18	10/25	11/1	11/8	11/15	11/22	11/29	12/6
Sub. #1. No sales										
Sub. #2	S.									14,000
	F.									
	U.									
Sub. #3	S.							8,300		
	F.	381,000		50,000		340,000	8,000	7,500		25,000
	U.									
Sub. #4	S.	3,500	17,500		100		3,250			
	F.									
	U.									
Sub. #5. No sales										
522 Sub. #6	S.		16,000					16,000	9,500	
	F.	40,000				97,000		3,500	25,000	4,000
	U.									
Sub. #7	S.	125,000								
	F.	175,000				24,900				
	U.									
Sub. #8, 9, 10, and 11. No sales										
Sub. #12	S.									
	F.	50,000			25,000	25,000	25,000			70,000
	U.									
Sub. #14. No sales										

		1919—Week ending—			1920—Week ending—					
		12/13	12/20	12/27	1/3	1/10	1/17	1/24	1/31	2/7
Sub. #1 and 2. No sales										
Sub. #3	S.							75,000		
	F.									
	U.									
Sub. #4	S.		3,000				6,000	4,500	3,400	16,000
	F.									
	U.									
Sub. #5, 6, 7, 8, 9, 10, and 11. No sales										
Sub. #12	S.									
	F.									8,300
	U.									
Sub. #14. No sales										

ZONE # 1.—*Oil sale to council members (taken from weekly sales reports)*—Con.

		1920—Week ending—								
		2/14	2/21	2/28	3/6	3/13	3/20	3/27	4/3	4/10
Sub. #1 and 2. No sales										
Sub. #3	S.			16,000		50,000				
	F.									
	U.									
523 Sub. #4	S.					18,000	32,000			
	F.									
	U.									
Sub. #5. No sales										
Sub. #6	S.			16,000						
	F.									
	U.									
Sub. #7	S.			25,000						
	F.									
	U.									
Sub. #8, 9, 10, 11, and 12. No sales										
Sub. #14	S.					24,000				
	F.									
	U.									

		1920—Week ending—									
		4/17	4/24	5/1	5/8	5/15	5/22	5/29	6/5	6/12	6/19	6/26
Sub. #1 and 2. No sales												
Sub. #3	S.			8,000								
	F.				56,000	25,000		14,000			30,000	
	U.											
Sub. #4	S.											25,000
	F.											
	U.											
Sub. #5 and 6. No sales												
Sub. #7	S.							8,300				
	F.								8,300			
	U.											
Sub. #8, 9, 10, 11, 12, and 14. No. sales												

524 ZONE #2.—*Oil sales to council members (taken from weekly sales reports).*

		1919—Week ending—						
		3/8	4/5	4/26	9/13	9/20	10/11	11/8
Sub. #1, 2, 3, 4, and 5. No sales								
Sub. #6	S.				1,700			
	F.	40,000		119,500		3,500	7,000	3,500
	U.							
Sub. #7. No sales								
Sub. #8	S.		3,400					
	F.		3,400					
	U.							
Sub. #9, 10, 11, 12, and 14. No sales								

ZONE #2.—*Oil sales to council members (taken from weekly sales reports)*—Con.

		1919—Week ending—		1920—Week ending—				
		11/29	12/6	1/10	2/14	3/6	3/13	6/26
Sub. #1	S.				3,400			
	F.							
	U.							
Sub. #2. No sales								
Sub. #3	S.					48,000		8,000
	F.							
	U.							
Sub. #4 and 5. No sales								
Sub. #6	S.			8,000				
	F.							
	U.							
Sub. #7, 8, 9, 10, and 11. No sales								
Sub. #12	S.							
	F.	16,000	60,000					
	U.							
Sub. #14	S.						16,000	
	F.							
	U.							

525 ZONE #3.—*Oil sales to council members (taken from weekly sales reports).*

		1919—Week ending—							
		4/5	4/26	5/3	5/10	5/24	5/31	6/21	6/28
Sub. #1	S.							6,800	
	F.								
	U.								
Sub. #2. No sales									
Sub. #3	S.								50,000
	F.								
	U.								
Sub. #4 and 5. No sales									
Sub. #6	S.					15,000			
	F.								
	U.								
Sub. #7, 8, 9, 10, and 11. No sales									
Sub. #12	S.								
	F.		6,800	250	3,500	3,300	20,000		
	U.								
Sub. #14. No sales									

		1919—Week ending—			1920—Week ending—
		9/6	12/6	12/27	1/24
Sub. #1 and 2. No sales					
Sub. #3	S.				
	F.	8,300			
	U.				
Sub. #4 and 5. No sales					
Sub. #6	S.	20,500		16,000	10,500
	F.		10,500		
	U.				
Sub. #7, 8, 9, 10, 11, 12, and 14. No sales					

526 ZONE #4.—*Oil sales to council members (taken from weekly sales reports).*

		1919—Week ending 11/39.
Sub. #1, 2, 3, 4, and 5. No sales	S.	3,500
Sub. #6	F.	
Sub. #7, 8, 9, 10, 11, 12 and 14. No sales	U.	

ZONE #8.—*Oil sales to council members (taken from weekly sales reports).*

		1920—Week ending 1117.
Sub. #1, 2, 3, 4 and 5. No sales	S.	
Sub. #6	F.	10,000
Sub. #7, 8, 9, 10, 11, 12, and 14. No sales	U.	

No sales were made in zones 5, 6, and 7.

PLAINTIFF'S EXHIBIT 10.

#1.

1919.

Zone I.

Week 1/4.

527

51.30
153.50
1.50
26.50
2.50
51.75
3.07
4.69
82.01

376.82 S

Wk. 1/11.

57.40
3.12
.98
43.00
7.50
277.00
.52
7.90
7.50
1.00
162.80

945.54 S

Wk. 1/18.

100.12
2.74
57.50
1.00
78.00
80.00
12.89
14.32
5.50
2.50
81.79

1,381.90 S

Wk. 1/25.

111.83
8.65
23.00
80.00
18.00
310.00
1.47
25.62
5.00
98.00
1.00

2,064.47 S

Wk. 2/1.

165.02
16.09
21.00
3.00
517.00
140.00
5.06
5.00
9.53
19.50
35.00
247.02

3,247.69 S

Wk. 2/8.

202.91
18.41
43.00
3.00
185.00
35.00
11.99
89.00
150.00

3,837.50 S

Wk. 2/15.

188.75
66.74
33.50
200.00
21.00
25.00
1.50
154.50
83.66
2.55
9.98
34.20
56.50
11.50

4,725.88 S

Wk. 2/22.
323.50
2.50
17.83
51.00
125.00
94.00
109.50
37.10
6.48
94.00
152.00
38.50
82.33
5,860.62 S

Wk. 3/1.
248.25
150.00
26.46
30.50
46.50
287.00
320.00
47.72
12.78
10.00
55.25
55.00
82.25
7,232.33 S

Wk. 3/8.
528 462.30
246.00
41.02
280.00
48.00
138.50
71.50
38.50
106.00
1,702.00
137.58
143.00
36.25
618.00
280.00
52.00
11,632.98 S

Wk. 3/15.
157.85
30.00
23.82
25.50
22.50
61.25
6.08
45.69
102.00
42.50
12,150.17 S

Wk. 3/22.
178.15
2.50
43.45
50.50
49.50
7.50
5.50
411.00
4.33
7.79
85.00
134.00
8.50
82.27
13,220.16 S

Wk. 3/29.
237.60
60.00
37.62
46.00
37.50
43.50
384.50
18.64
11.91
159.00
42.50
14,298.93 S

Wk. 4/5.
255.80
64.62
67.00
200.00
39.90
50.75
95.50
10.35
28.68
217.50
2.50
164.52
15,496.05 S

Wk. 4/12.
552.50
136.50
60.00
140.00
93.50
462.50
16.50
74.50
343.00
40.98
68.00
12.83
340.00
290.00
44.00
82.34
18,253.20 S

Wk. 4/19.
529 168.75
35.00
31.00
71.50
7.00
37.00
33.50
7.44
18.75
36.00
147.00
13.00
18,859.14 S

Wk. 4/26.
373.10
537.50
42.50
140.00
95.50
1,394.50
6.00
357.00
62.00
3,445.50
44.72
284.50
200.00
5.95
1,080.50
196.50
5.00
278.00
27,407.91 S

Wk. 5/3.
91.39
17.50
59.00
37.50
42.50
53.00
26.50
.50
34.00
6.46
116.00
27,892.26 S

Wk. 5/10.
104.96
72.50
36.50
33.50
1,330.00
6.50
40.00
189.50
38.52
8.34
37.00
426.50
30,216.08 S

Wk. 5/17.
272.68
439.50
40.00
210.00
49.50
319.00
49.50
126.50
63.00
1,183.50
54.97
9.60
132.50
500.00
82.38

33,748.71 S

Wk. 5/24.
234.01
122.50
70.00
35.00
63.50
111.00
36.00
37.50
33.50
100.00
63.53
42.18
380.00
58.00
871.50
87.50

36,094.43 S

Wk. 5/31.
530 222.47
268.00
220.00
76.00
431.50
18.00
87.50
126.50
1,241.50
1.82
97.77
11.50
255.00
206.00
35.00
81.33

39,474.32 S

Wk. 6/7.
198.77
618.00
88.00
34.00
847.25
15.00
37.50
69.00
122.50
67.23
103.08
100.00
133.00
117.50
117.50

42,142.65 S

Wk. 6/14.
169.71
38.00
86.50
70.00
265.00
43.50
213.00
96.50
494.50
26.91
42.98
23.70
35.00
92.50
650.50
81.17

44,572.12 S

Wk. 6/21.
107.99
24.00
82.00
48.50
631.50
12.00
54.00
32.50
130.00
3.03
32.14
1.61
50.00
14.00

45,795.39 S

Wk. 6/28.
171.90
60.00
75.00
415.00
104.50
255.00
78.00
29.15
7.79
21.50
27.50

47,040.73 S

Wk. 7/5.
449.67
839.00
76.00
84.00
110.50
741.50
.50
80.00
359.00
400.00
25.41
10.14
65.50
568.00

50,849.95 S

Wk. 7/12.
531 144.12
173.50
82.50
44.50
212.00
3.00
72.50
75.00
71.51
14.14
162.00
54.00

51,958.72 S

Wk. 7/19.
124.50
127.50
98.00
33.50
140.00
3.00
3.00
269.50
75.00
25.26
25.49
15.00
8.50
20.00

52,926.97 S

Wk. 7/26.
272.20
240.50
174.00
40.50
24.00
92.50
91.50
407.50
29.14
6.10
12.50
80.26

54,397.67 S

Wk. 8/2.
207.25
17.50
59.50
39.50
35.00

89.50
87.50
43.50
12.50
8.43
11.93
9.00

55,018.78 S

Wk. 8/9.
231.80
30.00
52.50
52.50
15.50
12.50
79.00
252.50
20.82
9.79
22.50
107.00
80.94

55,986.13 S

Wk. 8/16.
133.70
58.50
32.50
49.00
10.00
78.50
400.00
24.46
.79
12.00

56,785.58 S

Wk. 8/23.
222.70
13.00
70.00
111.00
18.00
7.50
161.00
352.50
54.06
21.63
15.00
375.00

58,206.97 S

Wk. 8/30.
532 171.10
36.00
58.00
65.50
500.00
13.50
11.50
36.50
2,371.50
19.42
7.50
525.37

9.01
16.00
99.50
76.19

62,223.56 S

Wk. 9/6.
161.45
40.00
46.50
43.00
759.00
85.50
15.00
143.00
150.00
24.13
41.04
80.00
32.50

63,844.68 S

Wk. 9/13.
246.50
2.50
9.25
216.50
16.51
50.00
928.00
19.09
8.63
74.50

65,416.16 S

Wk. 9/20.
181.15
19.00
48.00
76.50
197.00
16.50
10.00
124.50
22.53
60.30
38.50
65.50

66,275.64 S

Wk. 9/27.
63.55
62.00
100.00
52.50
320.00
14.50
3.50
52.00
205.00
37.47
10.29
42.50

67,238.95 S

Wk. 10/4.
87.05
102.50
140.00
43.50
179.00
35.00
569.00
72.00
329.00
16.94
42.39
42.50
534.00
162.03

69,593.86 S

Wk. 10/11.
217.00
2,082.50
60.00
1,175.50
3,085.00
13.00
435.00
6,190.50
45.93
381.00
70.25
2,255.00
42.50
3,387.50

89,034.54 S

Wk. 10/18.
165.00
242.50
266.00
62.50
230.00
324.00
190.50
107.00
32.47
124.50
85.53
23.50
19.50
126.50
175.00

91,209.04 S

Wk. 10/25.
111.40
266.00
50.00
185.00
101.50
277.50
37.00
121.50
1,517.00
19.77
12.50
56.64
15.00

19.50
78.00
10.00
82.01

94,169.36 S

Wk. 11/1.
188.35
120.00
30.00
48.50
265.00
14.50
60.50
198.50
33.83
3.00
32.20
260.00
6.00
27.50
115.00

95,572.24 S

Wk. 11/8.
200.65
1,651.50
38.00
544.00
54.00
2,673.25
82.00
704.00
125.50
7,473.25
40.64
818.00
15.38
480.00
1.50
10.00
2,512.50
162.84

113,159.25 S

Wk. 11/15.
126.25
1,208.00
25.00
48.00
390.00
21.50
1,225.00
162.50
2,117.00
10.00

17,23
109.00
25.31
105.00
65.50

118,814.54 S

Wk. 11/22.
163.60
113.50
35.00
34.00
31.50
91.50
47.50
487.50
32.57
284.00
20.58
5.00
100.50
34.00
117.50
81.62

120,494.41 S

Wk. 11/29.
177.35
1,799.50
40.00
560.00
41.50
591.00
65.00
29.00
101.50
280.05
10.00
33.63
37.50
15.24
45.00
1.00
15.00
2,260.00
81.89

126,678.57 S

Wk. 12/6.
102.75
1,207.50
45.00
31.50
181.00
11.00
233.50

90.00
140.50
15.87
37.50
5.16
801.50
58.50
12.50

129,652.35 S

Wk. 12/13.
98.05
224.50
20.00
17.00
44.00
4.00
105.00
18.50
184.00
7.57
4.20
261.00

130,640.17 S

Wk. 12/20.
122.90
38.00
8.00
35.00
31.00
374.50
2.50
5.50
83.00
10.00
35.00
3.00
37.50

131,426.07 S

Wk. 12/27.
30.89
110.60
25.00
17.00
11.00
74.00
1.35
1.00
1.50

131,697.81 S

131,697.81 *

536

#2.

1919.

Zone 2.

Wk. 1/4.
10.97
2.93
44.00

198.16
100.00

356.06 S

Wk. 1/11.
22.53
.98
32.50

1.00
35.50
8.30

456.87 S

Wk. 1/18.

114.01
15.00
98
18.00
639.00
215.74

1,459.60 S

Wk. 1/25.

17.98
3.46
37.00
83.00
253.23

1,854.27 S

Wk. 2/1.

57.43
1.53
41.50
360.00
19.01

2,333.74 S

Wk. 2/8.

90.62
49
60.50
91.20

2,576.55 S

Wk. 2/15.

91.30
160.00
3.95
111.00
350.00
1.50
83.01
10.95

3,388.26 S

Wk. 2/22.

34.17
322.50
1.02
241.00
917.50
3.50
156.00
98.70

5,162.65 S

Wk. 3/1.

158.22
44.00
6.10
82.50
269.00
1.00
2.53

5,726.00 S

Wk. 3/8.

505.29
1,159.00
35.00
287.50
500.00
9.75
160.00
83.00
10.95

8,476.49 S

Wk. 3/15.

15.15
98
156.50
25.00
3.00
187.67

8,864.79 S

Wk. 3/22.

103.95
50.00
87.50
110.00
3.00
71.62

9,290.86 S

Wk. 3/29.

68.56
160.00
1.00
110.00
478.00
4.00
6.50
133.37

10,252.29 S

Wk. 4/5.

47.67
12.50
2.00
128.50
2.50
43.00
1.00

10,489.46 S

Wk. 4/12.

209.78
671.00
2.00
178.00
1,522.50
1.00
43.00
36.50
106.13

13,259.37 S

Wk. 4/19.

47.02
116.50
8.50
52.50
455.00
10.00
4.00

13,952.89 S

Wk. 4/26.

153.63
1,970.50
1.00
76.50
3,077.50
9.50
7.30
39.50
7.50
20.00
92.88

19,408.70 S

Wk. 5/3.

53.58
65.00
31.50
163.00
2.50
35.00
3.00
244.58

20,006.86 S

Wk. 5/10.

58.65
6.50
28.00
100.00
12.00
10.00
166.00
23.12

20,411.13 S

Wk. 5/17.

56.09
188.50
103.00

1,818.00
5.50
10.50
6.00
50.00
842.50
8.63

23,499.85 S

Wk. 5/24.
62.60
100.00
3.00
81.00
255.00
9.00
7.50
28.00
135.92

24,181.87 S

Wk. 5/31.
50.47
809.50
157.50
1,262.50
5.00
75.00
36.78

26,578.62 S

Wk. 6/7.
128.89
556.00
5.00
734.00
3.00
70.00
40.50
34.00
118.59
36.25

28,304.85 S

Wk. 6/14.
117.33
160.00
12.50
112.50
872.00
9.00
175.00
10.50
50.00
62.49
88.00

29,974.17 S

Wk. 6/21.
47.17
5.00
84.50
1,046.00
2.50
7.00
86.00
14.00
36.50

31,302.84 S

Wk. 6/28.
180.02
207.50
305.00
4.00
9.00
25.00
31.26
39.00

32,103.62 S

Wk. 7/5.
172.60
90.00
28.00
87.00
151.50
3.00
210.00
107.22
44.50

32,997.44 S

Wk. 7/12.
224.75
189.00
22.50
63.50
181.50
7.00
3.50
80.81
49.50

33,819.50 S

Wk. 7/19.
176.50
18.00
60.50
280.00
.50
13.00
101.41
74.75

34,544.16 S

Wk. 7/26.
279.00
326.00
35.00
58.00
94.00
5.00
2.50
86.31
29.00

35,458.97 S

Wk. 8/2.
73.39
102.00
5.00
130.00
4.00
6.00
4.50
52.00

35,835.86 S

Wk. 8/9.
301.50
35.00
6.00
85.50
155.00
.50
4.50
86.03
38.50

36,548.39 S

Wk. 8/16.
103.00
5.00
22.00
1,278.00
.50
5.00
125.74
34.25

38,121.88 S

Wk. 8/23.
235.00
5.00
127.00
272.50
7.50
5.50
100.36
50.80

38,925.54 S

Wk. 8/30.
70.00
5.00
90.50
218.00
5.50

5.00
12.50
19.10

39,351.14 S

Wk. 9/6.

69.94
10.00
6.00
65.00
386.00
2.50
11.50
68.00
75.17
77.05

40,122.30 S

Wk. 9/13.

124.50
94.00
2.50
82.00
68.00
9.00
3.80
87.50
46.10

40,639.70 S

Wk. 9/20.

67.00
754.00
3.00
110.50
434.00
3.00
4.50
25.25

42,040.95 S

Wk. 9/27.

76.50
260.00
55.50
159.00
2.00
10.00
147.81
41.25

42,793.01 S

Wk. 10/4.

112.00
414.00
12.00
46.50
2,611.00
3.50
13.50
20.87
37.25

46,063.63 S

Wk. 10/11.

273.56
3,673.00
13.00
140.00
9,786.50
6.50
97.50
31.62
46.25

60,131.56 S

Wk. 10/18.

24.70
80.00
2.50
225.00
201.50
1.50
139.96
19.50

60,826.22 S

Wk. 10/25.

58.50
250.00
8.00
105.00
149.50
2,453.00
7.00
16.92
24.00

63,898.14 S

Wk. 11/1.

74.50
210.00
5.00
102.50
630.00
81.50
3.00
2.50
5.54
27.25

65,039.93 S

Wk. 11/8.

128.75
1,086.50
7.50
34.00
58.50
3,937.50
4.00
261.50
15.00
144.50
106.52
14.75
7.50

70,846.45 S

Wk. 11/15.

189.75
3,580.00
5.00
160.00
2,817.00
2.50
150.00
4.50
41.50
17.56
27.60
30.00

77,871.86 S

Wk. 11/22.

155.00
434.00
7.50
104.00
1,502.00
2.50
21.00
44.00
62.40
29.06
20.50

80,253.82 S

Wk. 11/29.

188.50
1,200.00
2.00
61.00
419.50
5.00
619.50
44.17
116.50
8.00

82,917.99 S

Wk. 12/6.

52.50
4,048.00
2.00
49.50
2,056.50
5.50
245.50
56.38

36.00
52.50

89,522.37 S

Wk. 12/13.

40.00
3,289.50
2.00
40.00
250.00
7.50
1.00
170.50
75.00
87.52

469.25
41.00

93,995.64 S

Wk. 12/20.

42.50
10.00
39.00
390.00
2.00
1.00
125.00
109.83
8.50
9.00
94,727.47 S

Wk. 12/27.

9.50
34.00
23.50
100.00
2.50
50.30
2.00
12.50

94,961.77 S

94,961.77 •

537

#3.

1919.

Zone 3.

Wk. 1/4.

145.50
50.50
.50
153.00

349.50 S

Wk. 1/11.

236.64
2.50
3.50
157.75

749.89 S

Wk. 1/18.

216.00
80.00
332.00
266.50

1,644.39 S

Wk. 1/25.

153.22
250.00
2.50
65.50

2,115.61 S

Wk. 2/1.

186.50
10.00
133.00
196.50

2,641.61 S

Wk. 2/8.

280.90
41.00
278.25
397.28

3,639.04 S

Wk. 2/15.

242.74
11.00
88.00
244.25
65.50

4,290.53 S

Wk. 2/22.

150.00
1,436.00
177.00
255.00
272.50
34.00

6,615.03 S

Wk. 3/1.

199.60
476.50
17.50
200.00
413.25

7,921.88 S

Wk. 3/8.

473.00
2,014.00
7.50

320.00
160.00
881.00
362.00

12,139.38 S

Wk. 3/15.

116.50
2.50
3.00
306.50
32.00

12,599.88 S

Wk. 3/22.

217.50
728.50
.50
232.25
87.28

13,865.91 S

Wk. 3/29.

195.50
211.50
4.50
268.00
227.75
3.50
130.00

14,906.66 S

Wk. 4/5.

108.00
117.00
80.00
472.00
82.28

15,765.94 S

Wk. 4/12.

247.00
1,806.50
2.00
1,212.00
553.00
553.50

20,139.94 S

Wk. 4/19.

151.00
497.00
7.50
852.00
327.00
87.00
82.17

22,143.61 S

Wk. 4/26.

265.00
4,305.50
2,651.00
400.00
351.00
729.00

30,845.11 S

Wk. 5/3.

136.50
136.00
2.50
75.00
327.50
146.50

31,669.11 S

Wk. 5/10.

300.00
53.50
83.00
1,034.00
938.34

34,077.95 S

Wk. 5/17.

204.04
1,830.50
12.50
6,086.50
364.00
540.00

43,115.49 S

Wk. 5/24.

164.50
175.50
16.00
780.00
570.00
518.25
311.00
81.68

45,732.42 S

Wk. 5/31.

78.00
410.90
402.00
255.00
412.00

47,290.32 S

Wk. 6/7.

171.20
1,362.50
280.00
830.00
951.36
136.00
68.10

51,089.48 S

Wk. 6/14.

177.50
1,123.00
10.50
100.00
175.00
445.50
272.00
80.35
49.50

53,522.83 S

Wk. 6/21.

211.00
261.00
15.00
2,358.00
165.00
228.75
102.00
37.75

56,901.33 S

Wk. 6/28.

170.00
271.00
3,520.00
241.75
31.25

61,135.33 S

Wk. 7/5.

148.00
336.50
18.50
840.00
257.00
20.55

62,755.88 S

Wk. 7/12.

456.00
722.00
7.50
34.00
356.25
12.50

64,344.13 S

Wk. 7/19.

195.50
379.00
11.50
357.00
276.00
29.75

65,592.88 S

Wk. 7/26.

351.75
414.50
17.50
456.00
239.50
13.50

67,085.63 S

Wk. 8/2.

308.00
8.50
17.50
105.00
302.25
380.00
28.50

68,235.38 S

Wk. 8/9.

161.25
20.00
9.00
200.00
245.00
366.00
15.50

69,252.13 S

Wk. 8/16.

133. 50
330. 50
816. 36
80. 90
19. 25

70, 632. 64 S

Wk. 8/23.

296. 50
12. 50
7. 50
1, 000. 00
275. 25
100. 00
21. 10

72, 345. 49 S

Wk. 8/30.

150. 80
19. 00
26.00
500. 00
297. 50
85. 83
4. 50

73, 429. 12 S

Wk. 9/6.

131. 50
850. 00
5. 00
160. 00
190. 00
81. 98
21. 25

74, 868. 85 S

Wk. 9/13.

157. 50
170. 00
15. 50
855. 29
2. 00
27. 10

76, 096. 24 S

Wk. 9/20.

105. 85
1, 466. 00
16. 00
1, 322. 00
4. 50
80. 00
259. 55
453. 50
18. 25

79, 821. 89 S

Wk. 9/27.

73. 50
548. 50
6. 00
200. 00
169. 00
86. 50
12. 00

80, 917. 39 S

Wk. 10/4.

223. 25
1, 143. 00
6. 00
360. 00
307. 00
160. 50
170. 22
20. 00

83, 307. 36 S

Wk. 10/11.

286. 50
7, 868. 90
4, 471. 00
640. 00
340. 50
2, 223. 50
87, 39
14. 50

99, 239. 65 S

Wk. 10/18.

155. 15
403. 00
94. 00
402. 00
8. 00
276. 00
9. 00
12. 25

100, 599. 05 S

Wk. 10/25.

169. 82
2, 035. 00
180. 00
246. 00
42. 50
17. 50

103, 289. 87 S

Wk. 11/1.

36. 75
1, 270. 00
42. 50
360. 00
307. 00
271. 00
80. 74
10. 25

105, 668. 11 S

Wk. 11/8.

308. 75
2, 939. 50
7, 180. 00
230. 50
952. 00
6. 50
6. 00

117, 291. 36 S

Wk. 11/15.

167. 40
3, 085. 50
88. 00
137. 00
1, 107. 25
160. 00
1. 13
7. 30

122, 044. 94 S

Wk. 11/22.

213. 50
662. 00
984. 05
33. 00
4. 00

123, 941. 49 S

Wk. 11/29.

240. 38
1, 597. 00
208. 50
313. 00
2. 50
49. 00
57. 50

126, 409. 37 S

Wk. 12/6.

173. 15
6, 081. 00
25. 00
1, 919. 00
115. 00
336. 50
543. 50
18. 50
21. 50

135, 642. 52 S

Wk. 12/13.	Wk. 12/20.	Wk. 12/27.
	166.06	35.50
133.75	592.50	90.00
3,480.00	5.00	3.50
400.00	910.00	124.00
647.40	47.00	146.00
95.50	58.50	5.04
4.50	110.50	
49.00	81.30	142,832.57 S
	5.00	
140,452.67 S	142,428.53 S	142,832.57 *

538 #4.

1919.

Zone 4.

Wk. 1/4.	Wk. 3/15.	Wk. 5/10.
3.50	50.50	17.50
	1.50	4.00
3.50 S		4.50
	241.50 S	
Wk. 1/11.		828.00 S
None.	Wk. 3/22.	
	2.50	Wk. 5/17.
Wk. 1/18.	2.50	6.48
2.50		12.50
	246.50 S	37.50
6.00 S		
	Wk. 3/29.	884.48 S
Wk. 1/25.	6.50	
3.50		Wk. 5/24.
	253.00 S	3.46
9.50 S		
	Wk. 4/5	887.94 S
Wk. 2/1.	2.50	
None.	17.50	Wk. 5/31.
		7.50
Wk. 2/8.	273.00 S	105.00
44.50		53.00
	Wk. 4/12.	170.00
54.00 S	33.50	9.00
	120.00	
Wk. 2/15.	25.00	1,232.44 S
44.00		
	451.50 S	Wk. 6/7.
98.00 S		15.52
	Wk. 4/19.	28.00
Wk. 2/22.	23.50	
4.00	3.00	1,275.96 S
7.00		
	478.00 S	Wk. 6/14.
109.00 S		1.00
	Wk. 4/26.	
Wk. 3/1.	1.00	1,276.96 S
1.50	21.00	
1.50	170.00	Wk. 6/21.
	28.00	2.00
112.00 S		
	698.00 S	1,278.96 S
Wk. 3/8.		
70.00	Wk. 5/3.	Wk. 6/28.
7.50	1.00	9.03
	23.00	35.00
189.50 S	80.00	
		1,322.99 S
	802.00 S	

Wk. 7/5.
17.00
1,339.99 S

Wk. 7/12.
22.00
1,361.99 S

Wk. 7/19.
9.00
31.50
1,402.49 S

Wk. 7/26.
5.50
1,407.99 S

Wk. 8/2.
12.50
1,420.49 S

Wk. 8/9.
3.50
1,423.99 S

Wk. 8/16.
5.50
102.00
1,531.49 S

Wk. 8/23.
34.00
.50
1,565.99 S

Wk. 8/30.
4.00
35.00
32.00
1,636.99 S

Wk. 9/6.
35.00
1,671.99 S

Wk. 9/13.
4.00
32.00
1,707.99 S

Wk. 9/20.
1.50
9.50
1,718.99 S

Wk. 9/27.
7.50
80.00
6.50
70.00
11.00
1,893.99 S

Wk. 10/4.
None.

Wk. 10/11.
14.00
2.50
1,910.49 S

Wk. 10/18.
7.00
32.50
7.00
1,956.99 S

Wk. 10/25.
6.50
3.50
1,966.99 S

Wk. 11/1.
63.50
7.50
8.00
2,045.99 S

Wk. 11/8.
38.00
81.50
245.00
2,410.49 S

Wk. 11/15.
5.00
16.00
105.00
2,536.49 S

Wk. 11/22.
32.50
59.50
15.00
2,643.49 S

Wk. 11/29.
20.50
135.00
2,798.99 S

Wk. 12/6.
3.00
100.00
34.00
17.00
2,952.99 S

Wk. 12/13.
6.00
2,958.99 S

Wk. 12/20.
2.50
2,961.49 S

Wk. 12/27.
13.50
108.50
3,083.49 S
3,083.49 *

539

#5.

1919.

Zone 5.

Week 1/4.
None.

Week 1/11.
7.50

Week 1/18.
2.50
10.00 S

Week 1/25.
6.50
16.50 S

Week 2/1.

9.50

26.00 S

Week 2/8.

14.50

40.50 S

Week 2/15.

None.

Week 2/22.

31.00

71.50 S

Week 3/1.

10.00

81.50 S

Week 3/8.

4.50

86.00 S

Week 3/15.

2.50

88.50 S

Week 3/22.

6.50

95.00 S

Week 3/29

4.50

99.50 S

Week 4/5.

8.50

108.00 S

Week 4/12.

6.00

114.00 S

Week 4/19.

.50

114.50 S

Week 4/26.

44.00
35.00
23.00

216.50 S

Week 5/3.

41.50
17.50

275.50 S

Week 5/10.

12.50

288.00 S

Week 5/17.

118.57

406.57 S

Week 5/24.

52.00
5.00
3.50

467.07 S

Week 5/31.

19.00
10.00

496.07 S

Week 6/7.

79.52
5.00

580.59 S

Week 6/14.

38.50

619.09 S

Week 6/21.

20.00
25.00

664.09 S

Week 6/28.

33.50
7.50

705.09 S

Week 7/5.

4.00

709.09 S

Week 7/12.

42.50

751.59 S

Week 7/19.

1.50

753.09 S

Week 7/26.

21.00

774.09 S

Week 8/2.

3.50

777.59 S

Week 8/9.

3.50

781.09 S

Week 8/16.

7.50

788.59 S

Week 8/23.

7.00

795.59 S

Week 8/30.

27.00

822.59 S

Week 9/6.

14.50

837.09 S

Week 9/13.

12.00
13.00

862.09 S

Week 9/20.
None.

Week 9/27.
3.50

865.59 S

Week 10/4.
5.50

871.09 S

Week 10/11.
None.

Week 10/18.
5.50
25.00

901.59 S

Week 10/25.
2.50
2.50
17.00

923.59 S

Week 11/1.
15.00

938.59 S

Week 11/8.
2..50
8.00

949.09 S

Week 11/15.
12.00
10.50

971.59 S

Week 11/22.
9.50
102.00
11.00

1,094.09 S

Week 11/29.
65.00

1,159.09 S

Week 12/6.
16.10
12.50
17.50

1,205.19 S

Week 12/13.
27.00

1,232.19 S

Week 12/20.
None.

Week 12/27.
7.50
25.00

1,264.69 S
1,264.69 *

#6.

1919.

Zone 6.

Week 1/4.
None.

Wk. 1/11.
None.

Wk. 1/18.
None.

Wk. 1/25.
None.

Wk. 2/1.
7.85

Wk. 2/8.
7.17

15.02 S

Wk. 2/15.
None.

Wk. 2/22.
3.58

18.60 S

Wk. 3/1.
None.

Wk. 3/8.
10.85
17.50

46.95 S

Wk. 3/15.
None.

Wk. 3/22.
3.00

49.95 S

Wk. 3/29.
3.02
.50

53.47 S

Wk. 4/5.
8.91
240.00

302.38 S

Wk. 4/12.
11.00
500.00
24.50

837.88 S

Wk. 4/19.
8.00

845.88 S

Wk. 4/26.
7.50
249.00
9.50

1,111.88 S

Wk. 5/3.
4.42
9.00

1,125.30 S

Wk. 5/10.
.52
13.00
6.00

1,144.82 S

Wk. 5/17.

2.00
4.00
35.00

1,185.82 S

Wk. 5/24.

.80
16.00
12.50

1,215.12 S

Wk. 5/31.

1.13
80.00
27.50

1,323.75 S

Wk: 6/7.

.30
20.00
8.00

1,352.05 S

Wk. 6/14.

2.94
25.00
5.00

1,384.99 S

Wk. 6/22.

.51
3.00

1,388.50 S

Wk. 6/28.

2.01
16.00

1,406.51 S

Wk. 7/5.

28.00
20.60

1,455.11 S

Wk. 7/12.

3.00
5.50

1,463.61 S

Wk. 7/19.

None.

Wk. 7/26.

None.

Wk. 8/2.

5.00

1,468.61 S

Wk. 8/9.

8.00

1,476.61 S

Wk. 8/16.

None.

Wk. 8/23.

5.00

1,481.61 S

Wk. 8/30.

15.00
11.50

1,508.11 S

Wk. 9/6.

12.00

1,520.11 S

Wk. 9/13.

26.50

1,546.61 S

Wk. 9/20.

4.00

1,550.61 S

Wk. 9/27.

10.00
2.00

1,562.61 S

Wk. 10/4.

8.00
80.00

1,650.61 S

Wk. 10/11.

5.00
4.50

1,660.11 S

Wk. 10/18.

12.50
1.50

1,674.11 S

Wk. 10/25.

9.50

1,683.61 S

Wk. 11/1.

None.

Wk. 11/8.

15.00

1,698.61 S

Wk. 11/15.

None.

Wk. 11/22.

20.00

1,718.61 S

Wk. 11/29.

None.

Wk. 12/6.

2.00

1,720.61 S

Wk. 12/13.

2.00

1,722.61 S

Wk. 12/20.

1.00

1,723.61 S

Wk. 12/27.

None.

1,723.61 *

#7.

1919.

Zone 7.

Wk. 1/4.
None.

1/11.
2.50

1/18.
23.00
25.50 S

1/25.
10.00
35.50 S

2/1.
4.50
40.00 S

2/8.
7.50
3.00
50.50 S

2/15.
9.00
59.50 S

2/22.
9.50
15.00
84.00 S

3/1.
64.00
3.50
151.50 S

3/8.
13.00
2.00
166.50 S

3/15.
26.00
7.00
199.50 S

3/22.
14.00
6.00
219.50 S

3/29.
12.00
80.00
6.50
318.00 S

4/5.
31.50
3.00
352.50 S

4/12.
41.50
100.00
12.00
506.00 S

4/19.
13.50
519.50 S

4/26.
67.50
28.50
80.00
14.50
710.00 S

5/3.
14.50
2.50
727.00 S

5/10.
8.50
40.00
775.50 S

5/17.
46.50
42.50
136.00
2.50
1,003.00 S

5/24.
47.70
6.50
1.50
1,058.70 S

5/31.
37.00
82.00
10.50
1,188.20 S

6/7.
25.50
8.50
1,222.20 S

6/14.
9.00
14.50
55.00
1,300.70 S

6/21.
5.00
16.00
1,321.70 S

6/28.
31.50
7.50
60.00
1,420.70 S

7/5.
22.00
1,442.70 S

7/12.
30.00
17.50
35.50
24.00
1,549.70 S

7/19.
21.00
.70
1,571.40 S

7/26.
None.

8/2.
None.

8/9.
23.00
1,594.40 S

8/16.
None.
8/23.
12.00
1,606.40 S
8/30.
19.00
5.50
1,630.90 S
9/6.
4.50
136.00
1.00
1,772.40 S
9/13.
25.50
7.00
1,804.90 S
9/20.
25.50
14.00
1,844.40 S
9/27.
5.00
15.00
34.00
1,898.40 S

10/4.
19.00
2.50
1,919.90 S
10/11.
None.
10/18.
51.50
1,971.40 S
10/25.
26.00
2.00
1,999.40 S
11/1.
7.00
2,006.40 S
11/8.
13.50
2,019.90 S
11/15.
90.00
2,109.90 S

11/22.
12.00
14.50
2,136.40 S
11/29.
17.50
175.00
2,328.90 S
12/6.
2.00
16.00
34.00
2,380.90 S
12/13.
19.50
2,400.40 S
12/20.
6.00
2,406.40 S
12/27.
7.00
2,413.40 S
2,413.40*

542

#8.

1919.

Zone 8.

Wk. 1/4.
9.09
1/11.
3.38
19.00
31.47 S
1/18.
37.44
7.00
75.91 S
1/25.
1.55
3.50.
80.96 S
2/1.
8.29
89.25 S

2/8.
6.52
9.50
105.27 S
2/15.
30.40
15.00
21.00
171.67 S
2/22.
19.43
250.00
14.00
455.10 S
3/1.
9.23
13.00
477.33 S

3/8.
53.90
1.50
52.50
3/15.
1.98
24.50
611.71 S
3/22.
16.64
16.00
644.35 S
3/29.
2.10
35.00
681.45 S

4/5.
22.42
94.50
34.00
832.37 S

4/12.
47.81
7.00
75.50
962.68 S

4/19.
17.09
.50
980.27 S

4/26.
11.49
13.00
498.50
1,000.00
2,503.26 S

5/3.
4.22
6.00
2,513.48 S

5/10.
13.56
2,527.04 S

5/17.
57.50
29.00
120.00
2,733.54 S

5/24.
39.72
9.00
2,782.26 S

5/31.
46.05
15.00
42.50
2,885.81 S

6/7.
30.50
15.00
83.50
3,014.81 S

6/14.
66.50
3,081.31 S

6/21.
20.65
9.00
15.00
3,125.96 S

6/28.
61.55
3,187.51 S

7/5.
29.50
162.50
3,379.51 S

7/12.
31.42
21.00
81.50
3,513.43 S

7/19.
7.50
3,520.93 S

7/26.
16.50
3,537.43 S

8/2.
20.54
15.00
3,572.97 S

8/9.
28.50
8.00
3,609.47 S

8/16.
246.50
3,855.97 S

8/23.
12.28
2.50
224.00
4,094.75 S

8/30.
51.00
15.50
4,161.25 S

9/6.
20.00
4,181.25 S

9/13.
32.00
11.50
70.00
4,294.75 S

9/20.
18.21
11.50
4,324.46 S

9/27.
12.50
4,336.96 S

10/4.
17.28
13.50
4,367.74 S

10/11.
15.87
200.00
307.50
4,891.11 S

10/18.
49.87
53.00
4,993.98 S

10/25.
2.08
16.00
180.00
5,192.06 S

11/1.
7.44
120.00
11.50
50.00
5,381.00 S

11/8.
120.00
102.00
5,603.00 S

11/15.
650.00
9.00
75.00
6,337.00 S

11/22.
7.50
11.00
75.00
6,430.50 S

11/29.
33.78
22.50
110.00
6,596.78 S

12/6.
7.01
11.50
115.00
6,730.29 S

12/13.
12.57
35.00
12.50
6,790.36 S

12/20.
18.50
6,808.86 S

12/27.
5.00
6.50
6,820.36 S
6,820.36

543

1919.

Special cities.

543 Wk. 1/4.
3.88

1/11.
7.55
11.43 S

1/18.
12.00
23.43 S

1/25.
21.59
45.02 S

2/1.
56.15
101.17 S

2/8.
22.89
124.06 S

2/15.
37.56
161.62 S

2/22.
25.99
105.00
2.50
295.11 S

3/1.
21.95
4.50
321.56 S

3/8.
48.29
364.00
1.50
735.35 S

3/15.
25.87
7.50
4.00
1.50
774.22 S

3/22.
32.36
12.50
2.00
821.08 S

3/29.
18.51
10.50
5.50
855.59 S

4/5.
12.42
9.50
2.00
879.51 S

4/12.
35.93
34.00
14.00
963.44 S

4/19.
21.36
3.50
988.30 S

4/26.
30.04
15.00
1,033.34 S

5/3.
41.41
1,074.75 S

5/10.
18.32
36.00
1,129.07 S

5/17
10.00
1.50
1,140.57 S

5/24.
17.74
220.00
4.50
1,382.81 S

5/31.
38.52
56.50
8.50
9.00
1,495.33 S

6/7.
13.24
34.00
55.00
2.50
1,600.07 S

6/14.
36.88
8.00
3.50
1,648.45 S

6/21.
26.58
34.00
1,709.03 S

6/28.
12.80
1,721.83 S

7/5.
111.76
37.50
11.50
15.00
1,897.59 S

7/12.
74.46
10.50
1,982.55 S

7/19.
27.11
2.50
2,012.16 S

7/26.
17.50
27.00
2,056.66 S

8/2.
28.50
2.50
2,087.66 S

8/9.
15.50
19.00
7.50
2,129.66 S

8/16.
21.00
2.50
7.50
2,160.66 S

8/23.
97.50
2.50
1.50
5.50
2,267.66 S

8/30.
26.00
68.00
3.50
2,365.16 S

9/6.
11.00
136.00
12.50
4.00
2,528.66 S

9/13.
100.50
3.50
3.00
2,635.66 S

9/20.
16.50
952.00
28.50
10.50
5.50
2.00
3,650.66 S

9/27.
26.50
80.00
3.50
1.50
3,762.16 S

10/4.
73.22
12.50
35.00
14.00
1.00
3,897.88 S

10/11.
69.00
1,015.50
885.00
7.00
5,874.38 S

10/18.
28.50
37.50
50.50
250.00
4.50
17.50
6,262.88 S

10/25.
23.50
40.00
9.50
15.00
5.50
6,356.38 S

11/1.
105.50
1,012.30
.20
221.00
6.50
7,701.88 S

11/8.
21.00
570.00
13.00
70.00
4.50
8,380.38 S

11/15.
47.71
100.00
24.00
1.00
8,553.09 S

11/22.
35.50
93.00
27.00
19.50
8,728.09 S

11/29.
37.50
45.00
11.50
1.50
8,823.59 S

12/6.
25.00
330.00
14.50
211.00
2.50
9,406.59 S

12/13.
14.50
2.50
6.50
1.00
9,431.09 S

12/20.
7.50
427.50
7.50
2.50
5.00
9,881.09 S

12/27.
6.50
35.00
9,922.59 S

9,922.59*

544

#10.

Council member sales.

Zone 1.

Wk. 2/1.
None.

2/8.
None.

2/15.
12.50
83.71
96.21 S

2/22.
382.45
478.66 S

3/1.
250.00
525.00
1,253.66 S

3/8.
80.00
575.00
166.00
249.00
2,323.66 S

3/15.
500.00
2,823.66 S

3/22.
83.00
2,906.66 S

3/29.
None.

4/5.
58.00
2,964.66 S

4/12.
83.76
3,048.42 S

4/17.
1,150.00
664.00
35.00
4,932.42 S

5/3.
250.00
5,182.42 S

5/10.
None.

5/17.
1,080.00
249.00
6,511.42 S

5/24.
80.00
6,591.42 S

5/31.
70.00
250.00
83.00
6,994.42 S

6/7.
75.00
7,069.42 S

6/14.
34.00
34.00
80.00
50.00
83.00
7,350.42 S

6/21.
34.00
83.00
7,467.42 S

6/28.
15.00
7,482.42 S

7/5.
34.00
250.00
7,766.42 S

7/12.
20.00
7,786.42 S

7/19.
None.

7/26.
78.00
7,864.42 S

8/2.
None.

8/9.
250.00
8,114.42 S

8/16.
None.

8/23.
265.00
8,379.42 S

8/30.
250.00
80.00
8,709.42 S

9/6.
500.00
130.00
250.00
9,589.42 S

9/13.
None.

9/20.
62.50
250.00
9,901.92 S

9/27.
320.00
10,221.92 S

10/4.
530.00
34.00
10,785.92 S

10/11.
3,810.00
35.00
1,250.00
15,880.92 S

10/18.	11/8.	11/29.
175.00	3,400.00	None.
16,055.92 S	249.00	12/6.
10/25.	20,205.92 S	140.00
500.00	11/15.	250.00
16,555.92 S	80.00	20,866.42 S
11/1.	32.50	12/13.
1.00	20,318.42 S	None.
16,556.92 S	11/22.	12/20.
	83.00	30.00
	75.00	20,896.42 S
	20,476.42 S	12/27.
		None.
		20,896.42*

Zone 2.

3/8.	9/13.	11/8.
None.	None.	None.
4/5.	9/20.	11/29.
68.00	None.	None.
4/26.	10/4.	12/6.
None.	None.	None.
		68.00*

Zone 3.

4/3.	5/31.	9/6.
None.	None.	83.00
5/3.	6/21.	651.00 S
None.	68.00	12/6.
5/10.	6/28.	None.
None.	500.00	12/27.
5/24.	568.00 S	None.
None.		65,100*

Zone 4.

11/29.	
None.	

545 PLAINTIFF'S EXHIBIT 11.

[Copy.]

Market Letter No. 2—Flaxseed Crushing Industry—September 19, 1918.

Excerpt from minutes of September 17th meeting:

4. Mr. Armstrong advised the meeting that until all contracts were duly signed the service could not be substantially launched, and for each one's protection a definite date for the completion of the signing of these contracts should be determined upon. It was moved by

Mr. Warner, seconded by Mr. Nolan, and unanimously carried, that all individual subscriber contracts are to be signed and in the hands of the Armstrong Bureau not later than September 26th.

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546 (Subdiv. 6 & 7, Art. V.)

[Copy.]

Market Letter No. 2—Flaxseed Crushing Industry—September 19, 1918.

Excerpts from minutes of meeting, September 17, 1918:

* * * * * * *

8. There was then a general discussion on the matter of zones or market areas, in which subscribers should report to the bureau their various quotations and sales, and various suggestions for the use of Minneapolis and New York as basing points were considered. The matter was finally settled by motion from Mr. Warner that the bureau make a map, with the cooperation of such subscribers as may be necessary, showing various zones to cover the exchange of market information, and that copy of such map, when completed, be mailed to each subscriber who shall then at once file his quotations and reports for each zone shown, and in accordance with the provisions of the service contract. Carried.

* * * * * * *

11. It was moved by Mr. Warner, and seconded by Mr. Archer, that upon receipt of zone map from the bureau each subscriber shall immediately file prices in each zone as last quoted by him. Further, that each subscriber shall so state where he is not active in any zone and that such quotation report or "price lists" shall be by each mailed to the bureau not later than three days after the receipt of the map. Carried.

12. It was the sense of the meeting that these zones may have to be changed from time to time, but that this was the most practical method of making a start in the matter of identifying and exchanging market information.

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547 [Copy.]

Market Letter No. 3—Flaxseed Crushing Industry—September 20, 1918.

IMPORTANT POINTS OF THE SERVICE TO KEEP UPPERMOST IN YOUR MIND.

1. Never advise the bureau what you intend to do, as the bureau can clear information only on action that has already taken place.

To make this point clear, do not send to the bureau a statement such as "We enclose herewith price lists which will become effective next week." When you file information with the bureau covering any of your quotations to your trade, such information can only be filed immediately after such action has taken place and the form for reporting such information is, "We hand you herewith prices which we have to-day quoted our trade."

2. It is important to give immediate reply to all inquiries from the bureau, for you must bear in mind the fact that the bureau's compilation report must await receipt of a reply from each subscriber; therefore, any delay on your part penalizes everyone. Bearing on the above, do not feel that because you have made no quotation or sale on a particular transaction it is not necessary for you to reply to the bureau's inquiry asking for such information. You must reply to any and all such inquiries, giving information covering your quotation or sale and, if such quotation or sale has not been made by you, then you must so state.

3. Remember also that there are no restrictions implied, understood, or agreed upon by which you are bound at any time to quote any prices other than those which your judgment prompts you to make. The bureau's service will keep you advised at all times of the prices quoted or the prevailing market, and it is up to you to undersell or oversell these prices according to your best judgment, but under the terms of the contract you must keep the bureau advised of any deviations from your last-reported quotation.

4. When the service is well under way and you are receiving quotations representing the prevailing market prices for linseed oil, cake, or meal, do not make the mistake of referring to the market as "the price," for, although such a reference would be understood in its proper interpretation by the bureau and your fellow subscribers, it nevertheless savors of a uniform or an agreed price, or might be so construed. Therefore the bureau will not handle any communication making such references. You may refer to the prevailing market prices if necessary, but it is much better to confine your reference to "our prices" and "their prices" in every instance.

5. It is well to remember that in requesting special market information as provided on line #349, you must in each case supply the bureau with the specific quotation which you have made, irrespective of whether or not it is in accord with your last-filed price list. In other words, you cannot state that you "have quoted in accordance with" your last-filed price list but must, under the circumstances, give the specific information covering all the details of your quotation, which, however, will be handled as provided in the contract.

6. Do not hesitate to call on the bureau for specific explanation of any points covering this service, as the fullest possible benefits can only obtain from a thorough and complete knowledge of the provisions and obligations of this contract.

JULIAN ARMSTRONG.

548 [Copy.]

Market Letter No. 4—Flaxseed Crushing Industry—September 23, 1918.

LATIN-AMERICA EXPORT POSSIBILITIES.

The high lights of present commercial conditions in South America are listed for your convenience, as follows. They may be of interest in connection with possible export business.

Best business conditions are noted in Peru, Chile, Argentina, Uruguay, and Bolivia.

Shipping facilities are good in Colombia, northern Peru, Ecuador, and northern Chile.

Lumber business is improving in Guiana and northern, northeastern, and southeastern Bazil.

Dealers' shelves are empty in Manos and Rio de Janeiro, Brazil, and Cordoba, Argentina.

The sugar crop is good in Peru, Argentina, and southeastern Brazil.

A good increase is noted in the shipment of minerals from Peru, Bolivia, and Chile.

Unsettled political situations are noted in Panama and Peru.

The coffee outlook is poor.

There is evidence of a decline in hide and leather prices.

Some native products are adversely affected by U. S. import restrictions.

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549 [Copy.]

Market Letter No. 13—Flaxseed Crushing Industry—October 5, 1918.

SALE TO C., B. & Q. R. R.

Two of our subscribers have recently filed quotations with the bureau on one tank car of approximately 8,000 gallons boiled oil for the C., B. & Q. Railroad.

One of them now writes that he is informed by the C., B. & Q. Railroad they have purchased this tank car for November shipment at a lower price than their quotation.

This subscriber, therefore, is interested to know where this business was placed, and the bureau would ask all subscribers to reply promptly, stating whether or not they made quotations or sale, and giving full particulars of prices quoted.

The bureau will promptly clear all information when file of replies is completed.

550 [Copy.]

Market Letter No. 14—Flaxseed-crushing Industry—October 7, 1918.

SALE TO CATARACT REFINING CO.

To ARCHER-DANIELS LINSEED CO.

GENTLEMEN: Will you kindly reply promptly, giving full particulars of the sale, as per the following?

Very truly,

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

MINNEAPOLIS, MINN., *October 5, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On October 4th we sold the Cataract Refining Company a tank car of linseed oil for October shipment at * * * raw basis in tank cars delivered at Clearing, Illinois. To-day the buyer has asked us to cancel the order, claiming they have received a quotation from Archer-Daniels Linseed Company of $1.63 raw basis in tank cars, November 1st shipment, delivered Clearing, Illinois.

Yours very truly,

MIDLAND LINSEED PRODUCTS COMPANY.

Prices quoted by the inquiring subscriber will be published upon receipt of complete reply.

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551 [Copy.]

Market Letter No. 15—Flaxseed-crushing Industry—October 7, 1918.

REPLY FROM MIDLAND LINSEED PRODUCTS CO. TO MARKET LETTER #10, SALE TO PETER SCHUTTLER CO.

MINNEAPOLIS, MINN., *October 4, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Replying to your market letter No. 10.

On October 3d we sold the Peter Schuttler Company 1,250 gallons of linseed oil for November delivery at $1.67½ raw basis in tank wagons delivered. We also sold 1,250 gallons for December delivery at $1.64½ raw basis in tank wagons delivered.

We enclose herewith copies of contracts which were mailed yesterday for the buyer's signature.

Yours very truly,

MIDLAND LINSEED PRODUCTS CO.

NOTE BY THE BUREAU.—The price quoted by Hirs & Begley Linseed Company, and withheld in market letter #16, are as follows:

1,250 gallons November basis, $1.73, cooperage.
1,250 " December " $1.70, "

Delivery wanted in tank wagons, which would be at 5½¢ per gallon less, making the November bulk price $1.76½ and December $1.64½.

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552 [Copy.]

Market Letter No. 16—Flaxseed Crushing Industry—October 8, 1918.

REPLY FROM ARCHER-DANIELS LINSEED CO. TO MARKET LETTER #14, SALE TO CATARACT REFINING CO.

MINNEAPOLIS, MINN., *October 7, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On October 3rd we quoted the Cataract Refining Company one tank raw oil at $1.73 delivered Chicago. The report that they bought this oil at 2¢ per gallon less than our quotation. See if you can get us any information in regard to this purchase by the Cataract Company.

Very truly yours,

ARCHER-DANIELS LINSEED COMPANY.

NOTE BY THE BUREAU.—Will our other subscribers please reply promptly stating whether or not they made quotation or sale and giving full particulars, as it is evident that the Midland Linseed Products Company was misinformed.

The quotation made by them and withheld in market letter #14 was $1.73.

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553 [Copy.]

Market Letter No. 19—Flaxseed Crushing Industry—October 11, 1918.

SALE TO AMERICAN RADIATOR COMPANY, CHICAGO, ILL.

Will our subscribers please reply promptly, through the bureau, in the following past and closed transaction, stating whether or not they have made quotation or sale and giving full particulars:

BUFFALO, N. Y., *Oct. 10, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: It has been reported to us that under date of October 8th the American Radiator Company, of Chicago, purchased 60

barrels of linseed oil for delivery to their malleable iron plant at Black Rock, N. Y. We had an opportunity to quote on this inquiry and named our best prices as * * *, and from information just received we are informed that they bought at considerably less. Will you endeavor to find out and advise us from whom this oil was purchased?

Yours very truly,

SPENCER KELLOGG AND SONS (INC.).

(Signed) S. C. MURRAY,
Linseed Oil Department.

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554 [Copy.]

Market Letter No. 21—Flaxseed Crushing Industry—October 12, 1918.

SALE TO FARWELL, OZMUM, KIRK & CO., ST. PAUL, MINN.

Will our subscribers please reply, through the bureau, stating whether or not they made quotation or sale on the following past and closed transaction and giving full particulars? (The bureau will, as usual, publish the quotation of inquiring subscriber when file of replies is complete.)

RED WING, MINN., *Oct. 11, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Yesterday p. m. we quoted Farwell, Ozmum, Kirk & Co., of St. Paul, * * * per gallon raw on a L. C. L. quantity of spot linseed oil. This morning we were advised by them that they placed their order at $1.65 per gallon. Shall therefore ask that you kindly bulletin this letter in the usual manner.

Yours very truly,

RED WING LINSEED COMPANY,

(Signed) HARRIS G. NELSON, *Manager.*

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555 [Copy.]

Market Letter No. 25—Flaxseed Crushing Industry—October 15, 1918.

QUOTATIONS TO JOHN DEERE WAGON CO., MOLINE, AND ROCKFORD VARNISH CO., ROCKFORD, ILL.

The following telegram has just been received by the bureau:

BUFFALO, N. Y., *Oct. 15, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago:

Have quoted John Deere Wagon Co., Moline, also Rockford Varnish Co., Rockford, our schedule for October and November shipment. Both customers claim can buy at five cents less. Please advise.

SPENCER KELLOGG AND SONS, INC.

Will our subscribers please state, through the bureau, immediately whether or not they have made quotation or sale to the above, giving full particulars?

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556 [Copy.]

Market Letter No. 31—Flaxseed Crushing Industry—October 18, 1918.

INFORMATION REQUESTED ON QUOTATION OR SALE TO PATTON PAINT CO., MILWAUKEE, WIS. (CONFIRMING THE BUREAU'S WIRE OF THIS DATE).

The bureau was informed by wire report from Spencer Kellogg & Sons, Inc., that they had quoted the above concern yesterday and were informed they already had a lower price.

The Spencer Kellogg Company ask us to secure details on this quotation or sale, and we therefore wired subscribers as follows:

"Advise immediately details your last quotation or sale Patton Paint, Milwaukee."

Details of Spencer Kellogg Company's quotation will be published as soon as file of replies is complete, and we hope that all subscribers have already replied by wire.

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557 [Copy.]

Market Letter No. 36.—Flaxseed Crushing Industry—October 19, 1918.

IS NOT THE LINSEED OIL MARKET PRESENTING AN UNWARRANTED AND HYSTERICAL CONDITION?

The bureau is substantially impressed with the fact that in the last ten days there have been innumerable, sudden, and seemingly unwarranted price revisions by several of our subscribers, which have thrown the linseed-oil market into a chaotic condition.

So far as our investigations are concerned, there seems absolutely no reason for these wide fluctuations in price unless it be that overspeculation in seed must now be adjusted by the sale of oil; and if so, all will readily agree that this is an unfair condition in the market, so far as sound manufacturing and merchandising are concerned.

There have been other instances, which we are now investigating, where a considerable quantity of oil has been sold at "special prices,"

greatly less than published prices, and the unfortunate part of this particular sale, from the standpoint of good business, is that competitive quotations in that particular instance show that the seller actually sacrificed much more per barrel than he need have sacrificed in order to secure the order by the "cut-price method."

The bureau's service does not presume to direct any of the subscribers in so far as prices which they feel called upon to quote, but we do feel that it is well within our province to bring to the attention of the subscribers in the most forceful manner the fact that the service as the subscribers are using it is not delivering that measure of value to each one which it is designed to deliver and will deliver, provided we can substantially introduce "INTELLIGENT COMPETITION."

Many manufacturers do not realize that in sharply declining markets presenting the "hysterical activity" which the linseed-oil market has presented in the last two weeks, many sales which they make will act as a boomerang against them when such buyers find they have not gotten in at bottom prices.

This is one of the most substantial arguments in favor of a more or less stable market from the standpoint of both buyer and seller, and it is one of the underlying principles necessary for the successful operation of this service.

The bureau, and we feel many of our subscribers as well, are willing to concede that we can not and must not expect to put this service smoothly into operation at the onset, but each and every one must realize that from the signing of the service contract they are under very definite obligations to cooperate fairly and intelligently to the best interests of the industry, and if "unintelligent selfishness" is apparent in any of their operations to the extent of unfairly imposing upon their competitors, then we are going to have great difficulty establishing and maintaining the "100% CONFIDENCE" which must obtain if the linseed oil industry as a whole proposes to stand out from the crowd as substantial coworkers under modern cooperative business methods.

This general letter to our subscribers, I believe, will further fulfill its mission if those who support my contentions, and without egotism that should be all of you, will write a letter of comment for publication through the bureau, so that each and every one may be placed on record clearly and substantially before their fellow competitors.

JULIAN ARMSTRONG.

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558 [Copy.]

Market letter No. 40—Flaxseed crushing Industry—October 19, 1918.

COMPILATION REPORT—MARKET LETTER #31—INFORMATION REQUESTED ON QUOTATION OR SALE TO PATTON PAINT CO., MILWAUKEE, WIS.

Realizing that keen interest is centered on the sale to the Patton Paint Company, and as the bureau cleared this information by wire, we will send out this compilation report without awaiting the replies

from American and Sherwin Williams, who will, accordingly, not receive this report until their replies have been received by the bureau.

When these delinquent reports are received, they will also be sent to the other subscribers, thus completing this exchange.

Spencer Kellogg & Sons, Inc., Oct. 17, 1918:

"Are informed Patton Paint Co., Milwaukee, purchases several carloads to-day, basis dollar forty-five bulk, zone one. Please advise."

Bureau's reply to Spencer Kellogg & Sons, Inc., Oct. 17, 1918:

"Cannot clear wire on Patton without knowing price you quoted."

Spencer Kellogg & Sons, Inc., Oct. 18, 1918:

"Answering wire, we quoted Patton Paint one dollar forty-seven, basis raw, tank cars, at three-thirty yesterday by phone. They reported as already having a lower price by two cents. When did you receive first report from western crushers as having reduced their prices two cents? Wire quick."

Midland Linseed Products Co., Oct. 18, 1918:

"Sold Patton Paint yesterday, tank car, raw, dollar forty-seven, delivered Newark; hundred twenty barrels, cooperage, dollar fifty-three, raw basis, direct shipment, delivered Newark; hundred twenty barrels, dollar fifty-one, raw basis, cooperage, direct shipment, Milwaukee, all prompt shipment."

Bureau's reply to Midland Linseed Products Co., Oct. 18, 1918:

"Your sale Thursday Patton Paint Co. should have been immediately reported by wire; see contract, line 273; also line 291. The fact you reported this sale by letter only, when quotation and sale both should have been reported by wire, has resulted unfairly to other subscribers. Please give full explanation by letter entire situation."

Hirst & Begley Linseed Co., Oct. 18, 1918:

"Quoted $1.50 in tank cars 5 p. m. Did not receive order."

Toledo Seed & Oil Co., Oct. 18, 1918:

"Have not quoted or sold Patton past three months."

Wm. O. Goodrich Company, Oct. 18, 1918:

"Have not sold Patton Paint since August eighth. Quoted them our price to-day same as wired you."

Northern Linseed Oil Co., Oct. 18, 1918:

"Have made no quotation or sale Patton Paint, Milwaukee."

559 National Lead Co., Oct. 18, 1918:

"Have made no quotation or sale to Patton Paint Co."

Minnesota Linseed Oil Co., Oct. 18, 1918:

"Have made no recent quotation or sale Patton Paint, Milwaukee."

Ankeney Linseed Mfg. Co., Oct. 18, 1918:

"Last quotation Patton Paint, sixteenth, dollar fifty-three raw terms regular; no sale; quoting them now dollar forty-eight."

Archer-Daniels Linseed Oil Co., Oct. 18, 1918:

"Sold Patton, Milwaukee, tank raw dollar forty-five, our full market price."

Red Wing Linseed Co., Oct. 18, 1918:

"Quoted Patton October eleventh, November dollar sixty-one, December dollar fifty-eight, carlots, cooperage, freight allowed Mil-

waukee. Also quoted zone three two cents higher; we reduce above quotation five cents to them in afternoon same day; see your 9–A; have not sold them."

Later (just received, 1.20 p. m., Saturday).

American Linseed Co., Oct. 18, 1918:

"Have not sold Patton Paint Company lately. Last quotation October eleventh, thousand barrels December–January dollar fifty-eight, Milwaukee, or dollar sixty, Newark, New Jersey, in barrels."

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560 [Copy.]

Market Letter No. 42—Flaxseed Crushing Industry—October 21, 1918.

QUOTATION TO LETTON PAINT & VARNISH CO., KANSAS CITY.

To SPENCER KELLOGG & SONS, INC.

GENTLEMEN: Will you kindly reply through the bureau stating the details of your quotation made to the Letton Paint & Varnish Co., as per the following letter.

Very truly yours,

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

DES MOINES, IA., *Oct. 19, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Our Kansas City representatives advise us under date of October 17th that they quoted the Letton Paint & Varnish Company on that date our price from warehouse * * *.

The Letton Paint & Varnish Company replied that they then had a quotation from Spencer-Kellogg Company at $1.50 for carloads November, at which price will be equal to $1.52 from warehouse or 3¢ under the price we had quoted them.

We would like to know as to the correctness of the report made on the price made by the Letton Paint & Varnish Company, and if this price was quoted whether it was in cooperage or in drums.

Yours very truly, ANKENEY LINSEED CO.,

(Signed) H. E. ANKENEY, *Sec'y.*

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561 [Copy.]

Market Letter No. 53—Flaxseed Crushing Industry—October 24, 1918.

SOME INTERESTING REPLIES TO MARKET LETTER NO. 36 (IS NOT THE LINSEED OIL MARKET PRESENTING AN UNWARRANTED AND HYSTERICAL CONDITION?).

The following letters are the first received on the above, and it would be interesting if we might receive and publish a complete file from all subscribers:

American Linseed Company, October 22, 1918:

"Your market letter #36, in which you ask for comments on same to be placed before our fellow competitors, is received.

"From our viewpoint the points which you make in this letter are well taken, and I think a review of the action of this company in a reduction of its price will bear out its opinion as to what should have been done.

"It is our opinion that the whole plan of the bureau has been missed in the recent handling of prices. We believe that prices which have been quoted have not been justified for the reason that the oil on hand at the present time has probably cost more than it is being offered for at the present time. If there was to have been a considerable decline, and I am inclined to think there should have been some decline, it should only have been put in effect on oil to be delivered during December forward. October and November oil, as pointed out above, has cost more than present market prices.

"I do not believe that there is any demand whatever for manufacturers to take less than cost for the goods which they have accumulated, these goods having taken more judgment and more difficulties to purchase than at any time in the history of the industry. I believe, like you, that no plan can be put into perfect working order at once, but I believe the actions of the last two weeks should be a very splendid reminder to all of us that we can do much better without working any hardship whatever upon the buyers or upon ourselves.

"It is our opinion that the reduction has much more upset the buyers and made them much more dissatisfied than any action which has been taken in a long while, for it must be borne in mind that our customers in turn have contracted for their supply at a higher price, and they are having to reduce their prices because of the manufacturer to such an extent as to probably eliminate profits."

Midland Linseed Products Co., October 21, 1918:

"We acknowledge receipt of your market letter No. 36.

"We believe that market conditions during the past three weeks have justified a considerable decline in the linseed oil market, but we believe that this decline has at times been unduly rapid. We heartily indorse your general argument and believe that all crushers should endeavor to avoid the hysterical condition which, we are inclined to agree with you, have existed during the past two weeks. Some of the recent declines, we believe, have been initiated after a considerable advance in the seed market.

"We can not refrain from calling your attention to the record of the last three weeks, as shown by your market reports. You will find that during the three weeks just past the linseed oil market has declined 31¢ per gallon. You will find that this company has done nothing more than meet prices which have been initiated
562 by competitors with the single exception of one decline in the market amounting to 2¢ per gallon."

Spencer Kellogg & Sons, Inc., October 21, 1918:

"Answering your letter of the 19th we do not feel there is anything hysterical in regard to the conditions of the linseed oil market. There are legitimate reasons for a decline in price to the present value and we for our part have not planned our declines in price to take advantage of any particular order which we might have secured at that instant.

"Some feel that the advantage lies with the concern making the decline in price, but we simply took the initiative because we felt the time was ripe to have a lower price. We feel that it is a great mistake for subscribers to lower the price list just for the purpose of securing an order and if this thought is adhered to do not think there will be any loss of confidence among us."

The Toledo Seed & Oil Company, October 21, 1918:

"In response to your market letter No. 36, dated October 19th, with reference to the very sudden decline in the price of linseed oil, wish to commend you for presenting the matter as you have.

"It is common knowledge that whenever a market, be it oil or shoestrings, begins to drop suddenly, every prospective buyer immediately loses his enthusiasm to buy, expecting every moment the market will drop still more. Just as soon as the market turns and starts to advance, all those who are prospective buyers not only are anxious to buy, but many who have not thought of buying may show considerable interest.

"It would seem to us that a gradual decline would be much more beneficial to both the buyers and the sellers as indicated in your letter, than an apparent wild scramble to see who can reduce the fastest. However, our minds are open to correction if we are wrong."

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563 [Copy.]

Market Letter No. 59—Flaxseed Crushing Industry—October 25, 1918.

FURTHER INFORMATION ON MARKET LETTER #31—SALE TO PATTON PAINT CO.; REPLY FROM MIDLAND LINSEED PRODUCTS CO.

Upon reading the following letter subscribers will note that the entire misunderstanding arose from the fact that the Midland's telegraphic reply on this sale as recorded in market letter #40 read specifically "for prompt delivery."

On the other hand, the Midland daily sales report mailed to the bureau at the conclusion of the day upon which the sale was made, shows clearly this quantity of oil with the future delivery definitely stated; unfortunately, however, these reports need not and do not give buyer's name when sold at subscriber's published prices; therefore the bureau had no means of checking to definitely connect the

sale reported with the telegram from the Midland Linseed Products Co., but subscribers will recognize that the daily sales report has in this instance shown substantial evidence of the error in the telegram referred to. In order to fully and accurately present the facts in the case, publication of the letter has been withheld to check with the subscriber the bureau's copies of his filed prices. This has resulted in a tabulation of the subscriber's quotations as follows:

Midland Linseed quotation Oct. 16th, No. 7:		
Base, raw in cooperage		$1.59
Less tank-car lots	.06	
" December delivery	.06	
" their telegraphic quo. Oct. 17	.02	
		.14
For zone 1		1.45

The additional 2¢ for zone 3 delivery, which they had filed, makes quotation of $1.47 for Newark delivery correct according to their filings.

The information now published entirely clears the transaction and shows that subscriber accepted the business in strict accord with his filed prices and that the entire correspondence could have been avoided had the future delivery been evident in the initial communications.

The bureau wishes to express its appreciation of the efforts of the subscriber in giving full details covering this past and closed transaction.

MINNEAPOLIS, MINN., *October 19, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Replying to your market letter No. 31:

On the morning of October 17th we quoted the Patton Paint Company, Milwaukee, Wisconsin, a price of $1.47 per gallon, basis raw in tank cars delivered Milwaukee, and $1.49 per gallon raw
564 basis in tank cars delivered Newark, New Jersey; 6¢ per gallon more for direct shipment in cooperage.

About one o'clock on that date we wired you as follows:

"We have reduced our price all markets December delivery 2¢ and quote October, November, and January same basis."

This was our telegram No. 18454. Some time later we wired the Patton Paint Co., of Milwaukee, our telegram No. 18465:

"We will book your order two cents less instant wire acceptances."

About 4.30 p. m. on the 17th we received the order of the Patton Paint Co., as already reported to you, on basis $1.45 raw basis in tank cars, delivered Milwaukee, and $1.47 raw basis in tank cars, delivered Newark, cooperage 6¢ per gallon more.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

NOTE.—The bureau is accepting the record in Midland's daily sales report herein referred to as indicative that part of this order is for December delivery at Midland's December listing.

Will the Midland Company please confirm, as none of their letters except the daily sales report have so stated?

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565 [Copy.]

Market Letter No. 62—Flaxseed Crushing Industry—October 29, 1918.

QUOTATION TO PITTSBURGH PLATE GLASS CO., TOLEDO, OHIO.

Will our subscribers reply promptly through the bureau, stating whether or not they made quotation or sale as follows, and giving full particulars?

TOLEDO, OHIO, *October 28, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

DEAR SIRS: This afternoon at about 1.15 the writer quoted the Pittsburgh Plate Glass Co., of Toledo, on a local lot of oil from warehouse a price of * * * and was very roundly criticised by their manager because we would not give him the carload price to which he said the Pittsburgh Plate Glass were entitled because they were big buyers and then informed us that he could buy the oil at $1.56.

For our information, would be pleased to know if a price of $1.56 from warehouse was actually quoted the Pittsburgh Plate Glass to-day.

Respectfully,

THE TOLEDO SEED & OIL COMPANY.

(Signed) GEO. A. VRADENBURG,
Vice President.

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566 [Copy.]

Market letter No. 64—Flaxseed-crushing industry—October 29, 1918.

SALE TO JOHN LUCAS & CO., CHICAGO.

To SPENCER KELLOGG & SONS, INC.

GENTLEMEN: Will you kindly reply promptly through the bureau, giving the facts in this past and closed transaction?

Very truly,

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

MINNEAPOLIS, MINN.,
October 25, 1918.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On October 24th we quoted John Lucas & Co., of Chicago, 100 barrels of linseed oil, October-November delivery, at * * *.

We are advised that the order was placed with Spencer Kellogg & Sons at a price of $1.50 per gallon raw basis in cooperage, warehouse delivery, 4¢ per gallon less if delivered in tank wagons.

Will you kindly ascertain if the sale was made at the prices reported by the purchaser?

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

NOTE BY THE BUREAU.—Owing to a mistake in delivery of mail the above letter dated the 25th came to hand only to-day.

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567 [Copy.]

Market letter No. 68—Flaxseed-crushing industry—October 31, 1918.

REPLY FROM SPENCER KELLOGG & SONS, INC., TO MARKET LETTER #42, QUOTATION TO LETTON PAINT & VARNISH CO.

In publishing the following letter from Spencer Kellogg & Sons, Inc., the bureau wishes to go on record that this subscriber acknowledged market letter #42, under date of October 25, advising that their Kansas City representative would be communicated with in order to secure the facts in the case. This will show prompt cooperation by the subscriber.

BUFFALO, N. Y., *Oct. 30, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Linseed oil.

GENTLEMEN: We now have a reply from our Kansas City representatives to the effect that they did not quote the Letton Paint & Varnish Company a price of $1.50 R. B. for carloads for November shipment on October 17th, but, as a matter of fact, when they received our telegram of the 18th at 11.15 a. m., one of the words in this telegram was incorrectly transmitted and therefore they did not communicate to Letton the reduction contained therein of $1.50 which, at that time, had reference to warehouse deliveries, until the forenoon of the following day, October 19th, and under the circumstances our representatives in Kansas City have been unjustly accused.

Yours very truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager.

568 [Copy.]

Market Letter No. 72—Flaxseed crushing industry—November 4, 1918.

ANOTHER INTERESTING REPLY TO MARKET LETTER NO. 36.

(See also market letter No. 53.)

MILWAUKEE, WIS, *Nov. 2, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We beg to acknowledge receipt of your letter #36 entitled "Is not the linseed oil market presenting an unwarranted and hysterical condition?" Beg to say in reply that we think your remarks are most timely and instructive.

The effect of these wide fluctuations in price which have taken place during the last few weeks among our trade has been most unfortunate, and we believe that this is a matter which should have very earnest discussion at our next meeting. Personally we agree fully with every word you say.

Yours very truly,

WILLIAM O. GOODRICH COMPANY.

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569 [Copy.]

Market Letter No. 73—Flaxseed crushing industry—November 4, 1918.

COMPILATION REPORT—MARKET LETTER #21—SALE TO FARWELL, OZMUN, KIRK & CO., ST. PAUL, MINN.

The file of replies on above completed this day discloses the fact that none of our subscribers made the sale in question. With one exception, subscribers state in effect that they have made no quotation or sale.

The Northern Linseed Oil Co. whose letter is published below made quotation on the 11th, but it is evident they were not the successful bidders.

MINNEAPOLIS, MINN., *Oct. 14, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Replying to market letter No. 21, with reference to sale to above named on the 10th inst., beg to advise we did not quote

this firm on the 10th inst. We quoted them on the 11th, but at ou last filed list price.

Yours very truly,

NORTHERN LINSEED OIL COMPANY.

(Signed) "B."

The price quoted by Red Wing Linseed Company and withhel from market letter #21 was:

"$1.66 per gallon raw."

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570 [Copy.]

(Subdiv. 6 & 7, Art. V.)

Market letter No. 78—Flaxseed crushing industry—November 6, 1918.

A MEASURE OF SECURING PROMPT COOPERATION.

1. Unwarranted delay on the part of one or more subscribers i replying to information requests from the bureau, thereby holdin up the compilation report from the bureau, thus materially lessenin the "news value" of our service and penalizing alike all subscribers in the industry, is a matter which we endeavor at all times to provid against, and which we can not permit to obtain.

2. In view of the present unsatisfactory mail service and also be cause of an apparent tendency on the part of some of our subscribers to be overlong in dispatching such information to the bureau, we deem it advisable in the interests of our subscribers in all of our groups to introduce a new "prompting" measure.

3. Experience enables us to judge when replies to our inquiries are overlong in coming and, acting on that experience and our judgment, we propose to introduce the following rule:

If, at the expiration of a reasonable time, any subscriber has not replied to an urgent inquiry from the bureau, either with the information requested or a communication indicating that a longer time is required to secure such information, then the bureau will telegraph collect any and all subscribers, prompting them to send in such advice, and such subscribers, on receipt of said telegram, will immediately telegraph the bureau, prepaid, the information requested, or if such information can not be completely transmitted by wire, then this return telegram shall specifically state when such information will be fully dispatched by letter. An acknowledgment by wire to the bureau's wire must be sent in any case.

4. This regulation is so obviously entirely in the interests of our subscribers that the bureau has departed from its usual method of procedure of submitting such questions for approval before instituting the same, and we are taking it upon ourselves to put this order into operation on and after November 11th.

5. We will be responsible, however, for any error in our judgment and action which might unfairly penalize any subscriber under this order.

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

571 [Copy.]

Market Letter No. 80—Flaxseed crushing industry—November 6, 1918.

SALES IN KNOXVILLE, TENN., MARKET.

MIDLAND LINSEED PRODUCTS CO.

GENTLEMEN: Will you kindly reply promptly through the bureau, giving the facts connected with sales in the above market as follows?

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

BUFFALO, N. Y., *Nov. 5, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On the 29th of October, our representative in this market reported that the Midland representative, while quoting openly their advance price, continued to protect the trade on a basis of $1.55 raw oil in cooperage and further reported that notwithstanding the fact that several transactions had been booked at $1.66, sales made on this basis were voluntarily reduced to $1.55, on arrival of car.

Yours truly,

SPENCER KELLOGG & SONS, INC.
(Signed) V. H. HUNTER,
General Sales Mgr.

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572 [Copy.]

Market Letter No. 81—Flaxseed crushing industry—November 6, 1918.

QUOTATIONS IN MEMPHIS, TENN., MARKET.

TO ARCHER-DANIELS LINSEED CO.

GENTLEMEN: Will you kindly reply promptly through the bureau, giving the facts as requested in the following?

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

BUFFALO, N. Y., *Nov. 5, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On October 29th our representative in this market reported that Archer-Daniels were selling through their representatives the DeSota Paint Mfg. Co., spot oil at $1.53 raw basis,

in cooperage, delivered at store door of purchaser, whereas, their price as quoted at the time in this zone, according to our records, as established through information as received from you, was $1.58, raw basis, for warehouse delivery, or $1.56 carload lots, direct shipment.

Yours truly,

SPENCER KELLOGG & SONS, INC.
(Signed) V. H. HUNTER,
General Sales Mgr.

573 [Copy.]

Market letter No. 83—Flaxseed crushing industry—November 7, 1918.

COMPILATION REPORT—MARKET LETTER NO. 25—QUOTATIONS TO JOHN DEERE WAGON CO., MOLINE, ILL., AND ROCKFORD VARNISH CO., ROCKFORD, ILL.

The bureau's file of replies on this subject shows that eight subscribers have neither quoted nor sold the parties named; where quotations were made the details are given as follows:

Hirst & Begley Linseed Co., October 16, 1918:

"We did quote both the Deere Wagon Co. and the Rockford Varnish Co., but we did not get the business. Our quotations were as follows:

October 7th, Rockford Varnish Co.:

$1.79 per gallon raw carloads October shipment.
$1.71 " " " " November "
$1.68 " " " " December "

October 15th, John Deere Wagon Co.:

$1.59 per gallon raw carloads October shipment.
$1.58 " " " " November shipment."

Midland Linseed Products Co., October 16, 1918:

"We have not recently quoted prices to the Rockford Varnish Co., Rockford, Ill.

"On October 14th we quoted the John Deere Wagon Co., Moline, Ill., carload lots of linseed oil, November shipment, at $1.56, raw basis, cooperage delivered, Moline."

Red Wing Linseed Company, October 16, 1918:

"We quoted these concerns on the same day, and quoted our regular schedule prices for October and November shipment, but we did not receive orders from them."

American Linseed Co., November 4, 1918:

"We quoted $1.53 on one or two cars for November shipment from St. Paul, freight allowed to Moline, and did not quote the Rockford Varnish Co."

The price quoted by Spencer Kellogg & Sons, Inc., and withheld from Market Letter No. 25, was:

$1.59 in carload lots, October delivery.
1.56 " " " November "

574 [Copy.]

Market letter No. 84—flaxseed-crushing industry—November 7, 1918.

COMPILATION REPORT—MARKET LETTER NO. 16—SALE TO CATARACT REFINING CO.

The bureau's complete file of replies shows that 10 subscribers neither quoted nor sold the party named, and it is evident that the business was placed outside of our list of manufacturers; that the subject may be complete with this compilation, the letters from companies interested are copied as follows:

Midland Linseed Products Co., October 5, 1918:

"On October 4th we sold the Cataract Refining Company a tank car of linseed oil for October shipment at $1.73 raw basis in tank cars delivered at Clearing, Illinois. Today the buyer has asked us to cancel the order, claiming they have received a quotation from the Archer-Daniels Linseed Company of $1.63 raw basis in tank cars, November 1st shipment, delivered Clearing, Ill."

Archer-Daniels Linseed Company, October 7, 1918:

"On October 3rd we quoted the Cataract Refining Company one tank raw oil at $1.73 delivered Chicago. They report that they bought this oil at 2¢ per gallon less than our quotation. See if you can get us any information in regard to this purchase by the Cataract Company."

Hirst & Begley Linseed Co., November 2, 1918:

"We quoted the Cataract Refining Co., on one tank car raw linseed oil at $1.73 per gallon, in accordance with our report to you of October 2nd. We did not get the business."

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575 [Copy.]

Market letter No. 86—flaxseed-crushing industry—November 8, 1918.

QUOTATION TO JOHN LUCAS CO.

Although the following letter from subscriber No. 5 may refer to the transaction covered by market letter No. 64, the bureau gives it publication that all subscribers may reply.

Immediately upon receipt of answers from all the compilation report will be issued.

Please make it possible to clear the sale promptly by making quick replies.

CHICAGO, *Nov. 7, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: This morning we quoted the John Lucas Co., * * * per gallon on one hundred barrels of raw linseed oil for prompt and deferred shipment, warehouse delivery. They advised us they "have

a considerably lower figure from one of the crushers" and wer sorry they could not favor us with the business. Will you plea check up on this?

Yours very truly,

HIRST & BEGLEY LINSEED CO.
(Signed) Reque.

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576 [Copy.]

Market Letter No. 87—Flaxseed crushing industry—November 9 1918.

REPLY FROM ARCHER-DANIELS LINSEED CO. TO MARKET LETTER #81—SALE BY DE SOTO PAINT MFG. CO.—EVIDENCING A NERVOUS AGENT.

MINNEAPOLIS, MINN., *Nov. 7, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On October 31st our representatives in Memphis the De Soto Paint Mfg. Co., wired us:

"Kellogg quoting 1.53. Wire instructions."

We answered:

"Memphis direct cars 1.56 warehouse 1.58."

It seems our agent did sell two barrels of oil on the basis of $1.53 as he states, even against our orders not to set a price. We inclos communications on the subject from which you can quote as you think best, but we hardly think that agency will again vary from our instructions.

Very truly yours,

ARCHER-DANIELS LINSEED CO.

MEMPHIS, TENN., *Oct. 22, 1918.*

ARCHER-DANIELS LINSEED CO.,
Minneapolis, Minn.

GENTLEMEN: We have wired you to-day as follows: "Kellogg quoting one fifty St. Louis spot, wire instructions." It costs about 2¢ a gallon or a little over to get the oil from St. Louis to Memphis. One of our customers of the Tri-State Paint Co. called up this morning and wanted one barrel of boiled and one barrel of raw, so I took their order even against your orders not to set a price, at $1.53; I got him to give me the other fraction of a cent, telling him that I would deliver the oil and he would have to pay drayage on the other. I would not have taken this order had it amounted to very much, but I thought it best not to let one of our customers wander away for two barrels of oil, and a difference of two cents a gallon. Please advise me if I did right.

Yours very truly,

DE SOTO PAINT MFG. CO.,
(Signed) THOS. F. LILLY, *Mgr.*

577 [Copy.]

Market Letter No. 89—Flaxseed crushing industry—November 11, 1918.

REPLY FROM MIDLAND LINSEED PRODUCTS CO. TO MARKET LETTER #80—SALES IN KNOXVILLE, TENN., MARKET.

MINNEAPOLIS, MINN., *11/8/1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES.
Chicago.

GENTLEMEN: Replying to your market letter number eighty, investigation develops the fact that our Knoxville, Tenn., agent was, on October 29th and on subsequent dates, authorized to quote linseed oil at our regular prices.

No special quotation has been given to this agent at any recent time. No sales have been reported subsequent to October 29th at less than our regular price. The statement that sales made on a basis of $1.66 were voluntarily reduced to $1.55 in the arrival of a car is incorrect, as we find that no car has arrived in Knoxville since October 1st.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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578 [Copy.]

Market Letter No. 90—Flaxseed crushing industry—November 13, 1918.

SALE BY ANKENEY LINSEED MFG. CO.

The sale covered by the following letter illustrates so fully that the old Bunkum Buyer methods are still effective with the spineless salesman who is also still in our midst that the bureau publishes it as a market letter rather than as a special sales report.

Midland will assist in checking the buyer a statement in this case if he will at once investigate his agent's quotation.

Let us have our respective agents and salesmen educated as soon as possible to the point where their sales will be made at their prices—not at their competitors' offerings or reported offerings—and we shall then find that we have real salesmen, not ordertakers, and the industry will be better for it.

DES MOINES, IA., *Nov. 9, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Subject: Sale below our quoted price.

GENTLEMEN: We received the following letter from our broker in Kansas City:

"I took the liberty of taking an order of five barrels of oil from Evans-Smith at $1.50 from the absolute assurance that they had

quotations of one other factor at this price, I believe it was Mid land. Hope that this action was O. K."

Upon receipt of this letter we wired as follows:

"Can not accept five barrel order Evans-Smith at the pric See letter."

We now have this letter from the broker:

"We have your wire on oil and will be guided accordingly. O Evans-Smith's order, your word came too late as you already hav our delivery report on this order. Mr. Price gave me his word o honor that he had a price of $1.50 from a responsible concern an we could not question him as he said to forget it if we did no want his order at this figure and we were urging him for the busi ness."

This is the sale one cent under our quoted prices for Kansas City Our broker seems convinced that the Evans-Smith Drug Compan actually had the quotation of $1.50 raw basis. See if you can fin out who made this quotation on November fifth.

Yours very truly,

ANKENEY LINSEED MFG. CO.

(Signed) R. P. BOLTON.

P. S.—Will add to the above that our Kansas City representative have now been instructed emphatically to stick strictly to our pric list, and in the future not accept any such statements from the trad in order to effect sales.

H. E. A.

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579 [Copy.]

Market Letter No. 96—Flaxseed Crushing Industry—Novembe 14, 1918.

COMMENT ON MARKET LETTER #87—REPLY FROM ARCHER DANIELS T MARKET LETTER #81—SALE BY DE SOTO PAINT MFG. CO.

* * * * * * *

BUFFALO, N. Y., *November 13, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Acknowledging your market letter No. 87, unde date of Nov. 9th, we are gratified to learn that no further circum stances of this nature are anticipated and that our own representa tive report has been confirmed. In our opinion, it is just as essen tial that price be rigidly maintained in the smaller markets as i the larger centers, as the sale of only a few barrels at a reduced pric will have a tendency to demoralize the market the moment the infor mation becomes known.

There is nothing unusual in the information as wired by thes people to their principals under date of Oct. 31st, wherein they re

port that we were quoting $1.53 on that date, and asking for them to wire instructions, other than the fact that their representative failed to mention that our price was on an f. o. b. St. Louis basis, a method of quoting that we established for this market ever since the adoption of the zone system of quoting, as we were informed at that time that some of our competitors had already adopted the policy as being a more equitable arrangement for Memphis because of the cheap water route from St. Louis, in comparison with the zone differential which establishes a difference between the two markets of five cents per gallon, as compared with two cents on an f. o. b. St. Louis basis.

Yours truly,

SPENCER KELLOGG AND SONS, INC.
(Signed) V. H. HUNTER,
General Sales Manager.

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580 [Copy.]

(Subdiv. 6 & 7, Art. V.)

Market Letter No. 101—Flaxseed Crushing Industry—November 19, 1918.

PRICES QUOTED IN NEW ORLEANS.

Will the American Linseed Company in particular and all other subscribers as well advise the bureau promptly what prices their agents in New Orleans were instructed to quote and quoted under date of November 15th?

This is a case where actual facts should be checked and if your records do not verify the contentions made by Archer-Daniels' agents in the following letter then the matter should be checked by direct communication with your agents so that the file of replies will give complete and accurate details of all quotations made on that date.

* * * * * * *

MINNEAPOLIS, MINN., *Nov. 18, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Under date of November 15th our agency in New Orleans, J. Watts Kearny & Sons, write: "While your price is 1.66, American's price is 1.64½ and the other agencies are asking 1.66." We have had several such letters from New Orleans during the past week or two. Can you tell us what the regular market is in New Orleans?

Very truly yours,

ARCHER-DANIELS LINSEED CO.

581 [Copy.]

Market letter No. 103—Flaxseed crushing industry—November 21, 1918.

REPORTED QUOTATION TO C., B. & Q. R. R.

Will our subscribers please reply promptly through the bureau, stating whether or not they quoted in the following transaction and giving the exact details of such quotation, stating also whether or not they were given the business?

CHICAGO, *November 20, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On yesterday we quoted the C., B. & Q. R. R. $1.54 per gallon on one tank car of boiled linseed oil, f. o. b. Chicago. Our salesman reports the purchasing department advised him they could buy at less than $1.50.

Will you please clear through your subscribers?

Yours very truly,

HIRST & BEGLEY LINSEED CO.
(Signed) JNO. L. REQUE,
Vice President.

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582 [Copy.]

Market letter No. 105—Flaxseed crushing industry—November 22, 1918.

FINAL COMPILATION IN THE MATTER OF QUOTATIONS TO JOHN DEERE WAGON CO., MOLINE, ILL., AND ROCKFORD VARNISH CO., ROCKFORD, ILL.

(See Market Letters Nos. 25, 83, and 95.)

The following final replies on the above clearly establish the fact that none of the subscribers concerned were awarded this business.

NEW YORK, *Nov. 18, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We quoted the John Deere Wagon Co., Moline, Ill., but did not effect a sale on the basis of our quotation, and we did not quote the Rockford Varnish Company.

Yours very truly,

AMERICAN LINSEED COMPANY.
(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

MINNEAPOLIS, MINN., *Nov. 16, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We have not since October 1st made any sale, either to the John Deere Wagon Company, Moline, Ill., or the Rockford Varnish Co., Rockford, Ill.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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583 [Copy.]

Market letter No. 106—Flaxseed Crushing Industry—November 22, 1918.

SALE TO PEASLEE-GAULBERT COMPANY, LOUISVILLE, KY.

Will our subscribers please reply promptly—through the bureau—stating whether or not they made following sale to the above and giving full particulars?

RED WING, MANN., *Nov. 21, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We yesterday received an inquiry from Peaslee-Gaulbert Company of Louisville, Ky., and quoted them * * * on one carload of linseed oil in cooperage for prompt shipment. We have not up to this writing heard from them, and we are interested in knowing whether or not they made such a purchase yesterday.

Kindly bulletin in the usual manner.

Yours very truly,

RED WING LINSEED OIL COMPANY.

(Signed) HARRIS G. NELSON,
Vice President.

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584 [Copy.]

Market Letter No. 108—Flaxseed Crushing Industry—November 22, 1918.

REPLY FROM MIDLAND LINSEED PRODUCTS CO. TO MARKET LETTER #90—SALE BY ANKENEY LINSEED MFG. CO.

In reply to our wire asking report on the above (to which we had received no reply) the Midland Company wires as follows:

MINNEAPOLIS, MINN., *Nov. 21, 1918.*
(Received 5.20 p. m.)

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Market letter ninety Kansas City agent not authorized to quote less than dollar fifty one and has reported no sales at less than our list prices.

MIDLAND LINSEED PRODUCTS COMPANY.

MINNEAPOLIS, MINN., *Nov. 22, 1918.*
(Received 9:40 a. m.)

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Market Letter ninety our Kansas City agent advises has not quoted Evans Smith this month.

MIDLAND LINSEED PRODUCTS COMPANY.

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585 [Copy.]

Market Letter No. 109.—Flaxseed Crushing Industry.—November 22, 1918.

COMPILATION REPORT—MARKET LETTER #86—QUOTATION TO JOHN LUCAS CO.

The file of replies on above just completed discloses the following:

Ten subscribers state, in effect, that they have made no quotations nor sales on the date mentioned. The replies from the two remaining subscribers are published below.

American Linseed Company (Nov. 11, 1918):

"With respect to market letter #86, we have no record of quoting or selling J. Lucas & Co. 100 barrels raw linseed oil on date mentioned."

Midland Linseed Products Co. (Nov. 12, 1918):

"Replying to your market letter No. 86, we quoted John Lucas & Co., in Chicago, our regular price on November 7th. We did not receive the order."

The quotation made by Hirst & Begley Linseed Company and withheld from market letter No. 86 was "$1.51 per gallon."

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586 [Copy.]

Market Letter No. 116.—Flaxseed Crushing Industry.—November 29, 1918.

REPLY FROM RED WING LINSEED OIL CO. TO MARKET LETTER #112—MAKE EACH MARKET INQUIRY COUNT.

RED WING, MINN., *Nov. 26, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We have your market letter No. 112, and we fully agree with contents of same, in fact after writing you regarding recent quotation, it occurred to us that same would mean only additional work for all concerned, and we decided not to ask for clearance on any further quotations, except where we receive information to the effect that lower quotations were available.

Yours very truly,

RED WING LINSEED OIL COMPANY,
(Signed) HARRIS G. NELSON,
Vice President.

587 [Copy.]

Market Letter No. 120—Flaxseed Crushing Industry—November 30, 1918.

COMPILATION REPORT—MARKET LETTER #106—SALE TO PEASLEE-GAULBERT COMPANY, LOUISVILLE, KY.

The file of replies on above completed this day discloses the following: Nine subscribers have made no recent quotations or sale.

The business was secured by Hirst & Begley Linseed Co., whose letter is given below:

CHICAGO, *Nov. 23, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Replying to yours of the 22d, market letter #106, sale to Peaslee Gaulbert Co. We made a sale to these people on yesterday, as reported, of one carload of raw linseed oil in barrels at $1.59 per gallon delivered, for prompt shipment, which is our regular carload quotation.

Yours, very truly,

HIRST & BEGLEY LINSEED CO.
(Signed) JNO. L. REQUE, *Vice Pres.*

Other subscribers concerned are quoted below:

American Linseed Company (11/25):

"We quoted them on the 21st our regular published price, but are advised by our representative in that territory they refused to pay $1.59 for car prompt and while they would not commit themselves, it is his opinion that they bought. We should be very glad to be informed if any of our subscribers made this sale."

Midland Linseed Products Co. (11/25):

"We quoted the Peaslee Gaulbert Co. of Louisville, Ky., on November 20th a price of $1.59 raw basis cooperage direct shipment.

"We did not receive the order, and thus far have received no information as to what action, if any, was taken by the buyer."

The quotation made by Red Wing Linseed Oil Co., and withheld from market letter #106, was $1.59 per gallon raw, freight allowed Louisville.

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588 [Copy.]

Market Letter No. 121—Flaxseed Crushing Industry—December 2, 1918.

COMPILATION REPORT—MARKET LETTER #101—PRICES QUOTED IN NEW ORLEANS.

The file of replies on above just completed gives report from eight subscribers that they have made no quotations in the New Orleans market under date of November 15th.

Replies not included in the above are quoted below:

American Linseed Company (November 22, 1918):

"With respect to market letter No. 101, November 19th. It is possible that we were in error in making a quotation to our St. Louis office November 15th. They wired us for a price on 15 barrels each month November–March, inclusive, without designating the point of delivery and we replied that they might sell at $1.61, which was our warehouse price. They have since confirmed, advising that the inquiry came through our New Orleans office and that they quoted $1.61 f. o. b. St. Louis, freight added to New Orleans. We are not advised that this quotation was accepted.

"We have, since receiving your market letter, advised our St. Louis manager that quotations for delivery in New Orleans from New Orleans local stock, must be at 4¢ over the St. Louis price, but that he could make quotations for New Orleans, actual shipment from St. Louis at the St. Louis price, f. o. b. that point. Of course, on this basis, the customer at New Orleans could buy for shipment from St. Louis at less price than this if bought in New Orleans, with the zone differential added."

Midland Linseed Products Co. (November 29, 1918):

"We have inquired of our New Orleans agents what prices they were quoting on November 15th. They reply as follows:

> "'You need not be surprised at almost any old price that is quoted. Some resales have taken place as the trade seems to be under the impression that the market is going to the bow-wows. Our price since November 8th has been $1.66 raw basis.'"

Spencer Kellogg and Sons, Inc. (November 29, 1918):

"Replying to the above market letter and to your wire of to-day, under date of November 15th our New Orleans representative was instructed to quote $1.66 warehouse, and no sale was transacted. In view of this fact we did not think a reply to the above market letter would be of interest to the 'Bureau' or to our fellow subscribers."

NOTE.—As the Toledo Seed & Oil Company's quotation would have been made through the Minneapolis office, the bureau deemed it unnecessary to secure their report.

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589 [Copy.]

Market Letter No. 124—Flaxseed Crushing Industry—December 5, 1918.

INQUIRY ABOUT SUBSCRIBER NO. 1'S—QUOTATION REPORTS #15–B, 16–A, AND 16–B.

Will subscriber No. 1 please respond promptly and fully?

BUFFALO, N. Y., *Dec. 4, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Linseed oil.

GENTLEMEN: We desire to call your attention to reports No. 15–B, 16–A, and 16–B, indicating prices quoted by subscriber #1, in the various zones.

Report No. 16–A was to indicate a five-cent reduction in price in all zones, as per your wire of Nov. 26th. By comparing the prices on this report, with those on report No. 15–B you will note in some cases, a difference of 5¢ a gal., in some 6¢, and in one instance 7¢. We also wish to call attention to report No. 16–B, which indicates a reduction in price quoted in zone 6, of 1¢ under the price shown on report No. 16–A. According to our records, we were never bulletined with these changes and of course were not aware of them until confirming reports reached us.

Will you therefore kindly have this matter cleared as quickly as possible.

Yours truly,

SPENCER KELLOGG & SONS, INC.
(Signed) S. C. MURRAY,
Linseed Oil Department.

NOTE BY THE BUREAU.—The reduction in price of 1¢ in zone 6 was never telegraphed to the bureau as required under the terms of the contract.

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590 [Copy.]

Market Letter No. 127—Flaxseed Crushing Industry—December 9, 1918.

REPLY TO MARKET LETTER NO. 124—INQUIRY ABOUT SUBSCRIBER NO. 1'S QUOTATION REPORTS #15–B, 16–A, & 16–B.

NEW YORK CITY, *Dec. 7, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In reply to market letter No. 124, we have referred to price lists mentioned.

After our telegram was dispatched to the bureau, advising change in price, we made out price list No. 16–B and in checking we found that in previous reports our zone differentials were incorrect, but in this report we corrected same but did not think it was necessary to advise by telegram.

In the future we will report such as the above by telegram and hope that this explanation will straighten matters out.

Yours very truly,

AMERICAN LINSEED COMPANY.
(Signed) W. F. PLATT, JR.,
Oil Sales Dept.

591 [Copy.]

Market Letter No. 130—Flaxseed crushing industry—December 12, 1918.

REPORTED QUOTATION IN ZONE #3 BY MIDLAND LINSEED PRODUCTS COMPANY.

To Midland Linseed Products Co.

Will you kindly reply—promptly and fully—through the bureau to the following:

Armstrong Bureau of Related Industries.

Buffalo, N. Y., *December 11, 1918.*

Armstrong Bureau of Related Industries,
Chicago.

Gentlemen: Will you please ascertain through the usual procedure by bulletining the interested subscriber as to the accuracy of the report that the Midland Linseed Products Company quoted a customer located in zone No. 3 on the basis of $1.48 raw oil in tank cars. We are informed that such a quotation was made by their Pittsburgh representative whose office is, of course, located in zone No. 2.

Yours truly,

Spencer Kellogg and Sons, Inc.
(Signed) V. H. Hunter,
General Sales Manager.

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592 [Copy.]

Market Letter No. 132—Flaxseed crushing industry—December 13, 1918.

MORE ON THE SUBJECT OF REPORTED QUOTATION IN ZONE #3 BY MIDLAND LINSEED PRODUCTS CO.

(See also market letter No. 130.)

To Midland Linseed Products Co.

Your reply to market letter #130 will also clear the matter of the following letter, and we are giving you this additional information, as it may help you to go further into the case.

Armstrong Bureau of Related Industries.

New York, *December 11, 1918.*

Armstrong Bureau of Related Industries,
Chicago.

Dear Sirs: In order to check buyers' statements, will you please ask subscriber #6 with relation to prices quoted by them to the

Allentown Paint Mfg. Co., Allentown, Pa., or the A. Whilhelm Co., at Reading, Pa., on raw linseed oil in tank cars, December–June delivery, at $1.48 per gallon. This subscriber's published price in zone #3, in which both these towns are located, is $1.49 in tanks, and we are advised that subscriber's Pittsburgh representative, who is in zone #2, is offering their price in that zone to these points in zone #3.

Yours, very truly,

AMERICAN LINSEED COMPANY.
(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

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593 [Copy.]

Market letter No. 135—Flaxseed-crushing industry—December 13, 1918.

REPORTED QUOTATION IN BALTIMORE.

Will our subscribers please reply promptly, giving full particulars of any recent quotations in the Baltimore market?

BUFFALO, N. Y., *Dec. 12, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Linseed oil.

GENTLEMEN: Our Baltimore representative claims that one of our good customers reports as having been quoted a price of $1.52 raw basis cooperage carloads, one car for January shipment, freight allowed to Baltimore. He further mentions that this quotation was made by a large western crusher.

We are desirous of ascertaining if any of the subscribers of the bureau service have offered a special quotation on this basis, as we know of no price being offered below $1.55.

Yours truly,

SPENCER KELLOGG & SONS, INC.
(Signed) V. H. HUNTER,
General Sales Manager.

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594 [Copy.]

Market letter No. 137—Flaxseed-crushing industry—December 17, 1918.

REPORTED QUOTATIONS IN ZONE THREE.

Will our subscribers please reply promptly, stating whether or not they have made any quotations as per the following letter?

BUFFALO, N. Y., *Dec. 12, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Linseed oil.

GENTLEMEN: During the recent convention of the National Paint, Oil, & Varnish Association, held at Boston the week of December 2d, two of our customers reported having been quoted linseed oil at $1.50 raw basis, cooperage car lots, direct shipment, and it is now stated that this quotation was offered confidentially by a representative of one of the subscribers to the Armstrong Bureau service.

We have no advices to the effect that any of the crushers associated with the Linseed Crushers' Industrial Council have reduced their price to this basis; therefore it is desired that the matter be bulletined in the usual way.

Yours truly,

SPENCER KELLOGG & SONS, INC.
(Signed) V. H. HUNTER,
General Sales Manager.

NOTE BY THE BUREAU.—Later advice, upon request of the bureau, gives the information that these quotations are supposed to have been made to two customers located in zone 3 (New York and Philadelphia).

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595 [Copy.]

Market Letter No. 138—Flaxseed crushing industry—December 18, 1918.

REPORTED SALE TO WARREN BROS., NASHVILLE, TENN.

To AMERICAN LINSEED CO.

Will you kindly reply promptly in the matter of the following?

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

MINNEAPOLIS, MINN., 12/16/18.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: A letter has been forwarded to us by our Nashville agent, written by Warren Bros. Co., of Nashville, Tenn., as follows:

"We have purchased, as you see by invoice, from Crown Linseed Oil Co., three barrels of raw linseed oil at $1.58 to-day, December 14th, 1918."

Will you kindly inquire from the American Linseed Co. if they made the sale above mentioned?

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

596 [Copy.]

Market Letter No. 143—Flaxseed crushing industry—December 23, 1918.

REPLY FROM MIDLAND LINSEED PRODUCTS CO. TO MARKET LETTERS NOS. 130 AND 132, REPORTED QUOTATION IN ZONE THREE.

MINNEAPOLIS, MINN., 12/19/18.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Replying to your market letter No. 130 and No. 132.

We have communicated with our Pittsburgh agent, who denies having made any quotation recently in zone No. three on a basis of $1.48 per gallon in tank cars. He advises us, however, that he has been mailing some postal cards, giving market reports and the Pittsburgh market prices to his customers.

Two or three of these customers are in zone three and they may have possibly misunderstood the price of $1.48 as being a delivered price, although it was intended as the price in the Pittsburgh market. In the future the market reports mailed to any customers in zone three will be so worded as to prevent any misunderstanding of this kind.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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597 [Copy.]

Market Letter No. 147.—Flaxseed Crushing Industry.—December 27, 1918.

COMPILATION REPORT—MARKET LETTER NO. 135—REPORTED QUOTATION IN BALTIMORE.

Our file of replies on the above is completed to-day. Nine subscribers state in effect that they have made no recent quotation in the Baltimore market. Two subscribers state that they have made quotations at their individual filed prices.

The following is the only reply that throws any light on the subject:

MINNEAPOLIS, MINN., *Dec. 14, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Replying to your market letter #135, Messrs. A. L. Webb & Sons of Baltimore advise us that a quotation of $1.52 raw basis car lots was made in their market by Metzger Seed & Oil Company of Toledo, Ohio.

Very truly yours,

ARCHER-DANIELS LINSEED COMPANY.

It is apparent therefore that the sale was made outside of our group of council members.

598 [Copy.]

Market Letter No. 151.—Flaxseed Crushing Industry.—December 28, 1918.

REPLY FROM AMERICAN LINSEED COMPANY TO MARKET LETTER NO. 138, REPORTED SALE TO WARREN BROS., NASHVILLE, TENN.

NEW YORK, *Dec. 26, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: With respect to inquiry, market letter No. 138, sale at Nashville, our St. Louis manager reports with respect to this sale to this effect: That the sale in question was made by W. J. Wade & Co. for account of Dr. W. F. Gray & Co., Nashville, and was invoiced to Warren Bros. by Gray & Co., consequently he denies having made sale referred to.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

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599 [Copy.]

Market Letter No. 156—Flaxseed Crushing Industry—January 4, 1919.

COMPILATION REPORT—MARKET LETTER NO. 137, REPORTED QUOTATIONS IN ZONE THREE.

In the file of replies completed this morning on the above, five subscribers state in effect that they have made no recent quotations in zone three and six state that they have made no quotations below their last filed prices.

The following letter is self-explanatory and it would seem that some one outside of our group of subscribers may be offering second-hand oil at a reduced figure.

MINNEAPOLIS, MINN, *December 18th, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In reply to your market letter No. 137, we have made no late sales in Boston, New York, or Philadelphia. Have made a few quotations at our regular price, and it was stated in New York that some second-hand oil was offered at less than our price.

Very truly yours,

ARCHER-DANIELS LINSEED CO.

600 [Copy.]

Market Letter No. 157—Flaxseed Crushing Industry—January 4, 1919.

REPORTED SALE TO FRISCO R. R.

Will subscribers kindly report promptly, through the bureau, whether or not they have made recent quotation or sale as per the letter quoted below? The prices quoted by the inquiring subscriber will be published in the compilation of replies.

DES MOINES, IA., *Jan. 2, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Messrs. Thompson-Munro-Robins who represent us in Kansas City in the sale of linseed oil, and with whom we carry a stock, maintain an office also in St. Louis, being represented there by their Mr. Robins.

We keep their St. Louis office also advised of our prices on linseed oil * * *. We are not, however, carrying any stock in warehouse in St. Louis at this time.

Mr. Robins of the St. Louis office lately quoted the Frisco on 15 barrels boiled at * * *, St. Louis. He now reports having lost the order, the Frisco claiming to have purchased the 15 barrels boiled at $1.57. Mr. Robins further says that he finds this is the asking price now in St. Louis, that is, $1.55 raw and $1.57 boiled from warehouse.

Kindly service the members of the bureau to see if the Frisco actually made the purchase, and if so, from whom and if the price they claim to have bought is correct.

Yours very truly,

ANKENEY LINSEED MFG. CO.,
(Signed) H. E. ANKENEY, *Sec'y.*

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601 [Copy.]

Market Letter No. 158—Flaxseed Crushing Industry—January 4, 1919.

REPORTED SALE TO U. S. GRAPHITE COMPANY, SAGINAW, MICH.

Will our subscribers please advice promptly whether or not they have made the reported sale to the above company?

BUFFALO, N. Y., *Jan. 3, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On Thursday, December 26th, we quoted the U. S. Graphite Company, Saginaw, Mich., * * * one or more cars

either prompt or future shipment, freight allowed to Saginaw, and were informed on the 28th that they purchased at a better figure than our quotation.

Will you please ascertain in the usual way if any of the subscribing crushers to the bureau service have sold this buyer carload quantities since the date of our quotation?

Yours truly,

SPENCER KELLOGG & SONS, INC.
(Signed) V. H. HUNTER,
General Sales Manager.

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602 [Copy.]

Market Letter No. 161—Flaxseed Crushing Industry—January 6, 1919.

REPORTED QUOTATIONS BY SUBSCRIBER NO. 11.

To SHERWIN-WILLIAMS COMPANY.

Will you kindly reply promptly and fully, through the bureau, to the following letter?

BUFFALO, N. Y., *Jan. 4, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: It is reported that subscriber No. 11 is now offering through their district sales department re-sale oil at $1.55 raw basis, Cleveland warehouse delivery, the oil in question having been purchased by their district sales department from outside sources.

Inasmuch as this oil is being offered by one of our subscribers and notwithstanding the difference in departments, it is virtually a change in their selling price and therefore should be reported through the usual channels.

Yours truly,

SPENCER KELLOGG AND SONS, INC.
(Signed) V. H. HUNTER.

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603 [Copy.]

Market Letter No. 165—Flaxseed crushing industry—January 7, 1919.

REPORTED QUOTATION TO ST. LOUIS & SAN FRANCISCO R. R. CO. BY THE INTERIOR LINSEED COMPANY.

The following letter has just been received from subscriber #12. This may be the same transaction which was the subject of market

letter #157; nevertheless the bureau will publish the compilation of that market letter as soon as the file of replies has been completed.

BUFFALO, N. Y., *Jan. 6, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On December 31st our St. Louis representative quoted a Mr. Scott, purchasing agent for the St. Louis & San Francisco R. R. Co., $1.58 per gallon on thirteen barrels of boiled oil.

In following the inquiry a little later in the day, Mr. Scott claimed that he had a lower figure than ours, and in the course of a personal interview last Thursday our representative was informed by the same gentleman that the Interior Linseed Company had quoted a lower price but would not disclose the figure.

Will you please bulletin this report in the usual way?

Yours truly,

SPENCER KELLOGG & SONS, INC.
(Signed) V. H. HUNTER,
General Sales Manager.

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604 [Copy.]

Market Letter No. 169—Flaxseed crushing industry—January 9, 1919.

REPORTED SALE TO THE SIMMONS HARDWARE COMPANY, ST. LOUIS, MO.

Will council members please advise promptly through the bureau whether or not they were concerned in the transaction reported below?

BUFFALO, N. Y., *Jan. 8, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: The Simmons Hardware Company of St. Louis, Mo., claim to have bought linseed oil last Saturday, January 4th, from a crusher's representative in that market at 1¢ better than our warehouse price of $1.56 R. B.

Will you please bulletin those subscribers maintaining selling agencies in this market for the purpose of ascertaining if any of their representatives sold the account in question on that date, and if so, at what price?

Yours truly,

SPENCER KELLOGG & SONS, INC.
(Signed) V. H. HUNTER,
General Sales Manager.

605 [Copy.]

Market Letter No. 171—Flaxseed Crushing Industry—January 10, 1919.

THE SHERWIN-WILLIAMS CO. REPLY TO MARKET LETTER #161, REPORTED QUOTATIONS BY SUBSCRIBER NO. 11.

CLEVELAND, OHIO, *Jan. 8, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In answer to your market letter #161, we want to explain that the district sales department bought the oil that you refer to from a local brokerage concern at a lesser price than $1.55, at which they sold it at.

You will remember that Mr. Myers explained this at the first or second meeting of the association, that it was possible that our districts or divisions might have business of this kind as they have the power invested in them to purchase oil and sell it at any figure that they choose. It is understood that they always make a profit if possible.

The linseed oil mill operating under the name of the Sherwin Williams Company has no jurisdiction over these districts or divisions and never have any oil to sell them, and if the linseed oil department would make a sale to any of our auxiliaries it would be made on the same basis as followed by other crushers; namely, the market price carrying with it the usual terms.

We trust that this explanation will fully explain everything to the entire satisfaction of all the subscribers.

Yours very truly,

THE SHERWIN WILLIAMS CO.,
(Signed) ROBT. E. GRAHAM,
Mgr. Linseed Oil Dept.

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606 [Copy.]

Market Letter No. 172—Flaxseed Crushing Industry—January 11, 1919.

REVISED QUOTATIONS APPARENTLY MISSING FROM SUBSCRIBER #6.

To MIDLAND LINSEED PRODUCTS CO.

Will you kindly reply promptly through the bureau to the following?

NEW YORK, N. Y., *January 9, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We would be glad to have you bulletin subscriber #6 with a view to straightening out sales which were made for

the week ending December 28th and reported by them at under prices which were published in their last quotation of December 9th; notably,

Transaction:

Zone #1.	100	gallons at	$1.55
#2.	100	" "	1.56
#3.	50	" "	1.56
	100	" "	1.57
#4.	450	" "	1.57
	300	" "	1.58
	200	" "	1.59
#5.	50	" "	1.61
#8.	450	" "	1.64

Their less than carlots, warehouse prices as published December 9th were as follows:

Zone #1.	$1.56
#2.	1.57
#3.	1.58
#4.	1.60
#5.	1.62
#8.	1.67

Yours very truly,

AMERICAN LINSEED COMPANY.

(Signed) W. L. PLATT, Jr.,
Oil Sales Dept.

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607 [Copy.]

Market Letter No. 173—Flaxseed crushing industry—January 11, 1919.

COMPILATION REPORT—MARKET LETTER #157, REPORTED SALE TO FRISCO R. R.

(See also Market Letter #165.)

The file of replies on the above has this day been completed and eight subscribers state, in effect, that they have made neither quotation nor sale in the above transaction.

The three remaining replies are quoted below:

American Linseed Company (January 6, 1919):

"In reply to your market letter #157 we have no record of having sold the 'Frisco R. R. Co.' at price indicated, and we are quoting in St. Louis and have been for a long time $1.56 for raw and $1.58 for boiled from warehouse, on thirty-day terms, 1¢ a gallon allowance for cash in ten days."

Archer-Daniels Linseed Company (January 6, 1919):

"In reply to your market letter #157 we have not quoted or sold any linseed oil from warehouse at St. Louis at less than $1.56 for

raw and $1.58 for boiled. Our agent there has not reported hearing of any quotations being made at less than this price."

Northern Linseed Oil Company (January 6, 1919):

"Replying to market letter No. 157, beg to advise we have neither quoted or sold the Frisco R. R. for some time past. Our warehouse price for zone one is $1.56 and $1.58, and there has been no deviation from this price since last filed with the bureau."

It develops that subscriber #12's inquiry published in market letter #165 covers this same transaction, so this compilation closes both of these market letters (#157 and 165).

It is evident that the sale was made outside of our group of council members.

The quotation made by the Ankeney Linseed Mfg. Company and withheld from publication in market letter #157 was as follows:

"We keep their St. Louis office also advised of our prices on linseed oil and which at present are $1.53 raw carloads, $1.56 raw, and $1.58 boiled, from warehouse.

"Mr. Robins, of the St. Louis office, lately quoted the Frisco on 15 barrels boiled at $1.58, St. Louis."

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608 [Copy.]

Market Letter No. 174—Flaxseed Crushing Industry—January 11, 1919.

REPORTED QUOTATION TO THE CALIFORNIA PAINT COMPANY, OAKLAND, CAL.

Will subscribers kindly advise promptly through the bureau whether or not they have made recent quotation referred to in the appended letter?

BUFFALO N. Y., *Jan. 10, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On January 2nd we quoted the California Paint Company, of Oakland, Cal., through our San Francisco representative, a price of $1.64 raw basis in cooperage carloads direct shipment, the inquiry covering 1000 barrels of linseed oil, also 500–1 gal. cans of boiled and 900 cases of raw in 5 gal. cans at the differentials of 15 and 25¢, respectively, and were informed by our San Francisco office yesterday that the prospective purchaser claimed to have a price of 5¢ per gallon better than our quotation with an option good until January 15th.

Will you please bulletin this in the usual way in the endeavor to ascertain if any of our fellow subscribers have quoted on this inquiry and at what price?

Yours truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager.

609 [Copy.]

Market Letter No. 176—Flaxseed Crushing Industry—January 13, 1919.

COMPILATION REPORT—MARKET LETTER #158, REPORTED SALE TO U. S. GRAPHITE COMPANY, SAGINAW, MICH.

The file of replies on above has just been completed, and all subscribers state in effect that they have made no quotation or sale. It is evident, therefore, that this transaction was closed outside of our group of subscribers.

Under the circumstances the quotation by the inquiring subscriber, withheld from market letter #158, is not published.

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610 [Copy.]

Market Letter No. 181—Flaxseed Crushing Industry—January 15, 1919.

COMPILATION REPORT—MARKET LETTER NO. 169, REPORTED SALE TO THE SIMMONS HARDWARE COMPANY, ST. LOUIS, MO.

In the file of replies completed to-day on the above subject, nine subscribers state in effect that they have neither quoted nor sold the Simmons Hardware Company. Two additional replies follow which are self explanatory; also a letter from the Archer-Daniels Linseed Company who made the sale through their St. Louis agency:

JANUARY 13, 1919.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In reply to market letter #169, we are advised by our St. Louis office that they have not quoted or sold below their price, which is $1.56 for zone #1.

Yours very truly,

AMERICAN LINSEED CO.,
(Signed) W. F. PLATT, Jr.,
Oil Sales Dept.

JANUARY 10, 1919.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We were not concerned in the transaction of purchase reported by the Simmons Hardware Company, of St. Louis, and who claim to have purchased oil on last Saturday the 4th, from a crusher's representative in that market, at $1.55 raw basis.

We have lately reported, however, that our representatives there, Messrs. Thompson-Munro-Robins, reported having information from the trade that they had lately been quoted at this price.

So far as they could learn, they attributed the price to have been made by the Interior Linseed Company. The Frisco, as reported in our earlier letter mentioned, claim to have made their purchase of some 20 barrels at basis $1.55 raw.

Yours very truly.

ANKENY LINSEED MFG. CO.,
(Signed) H. E. ANKENY, *Secretary.*

JANUARY 11, 1919.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In regard to the Simmons Hardware Co., of
611 St. Louis, we received an invoice from our agent there at $1.55 for raw and $1.57 for boiled. We immediately telegraphed him not to sell below $1.56, and asked him why he had done so. In reply he stated: "In the last few weeks we have sold Simmons Hardware Co. a few small orders on the basis of $1.55, as we were led to believe that Kellogg had sold them on this basis. We, however, have only their purchasing agent's word for this and have not heard of their selling to others at this price. We will hold our price firm at $1.56 until further instructions." We don't understand just why our agent sold oil below the price we have given him, but he has done it, and we have given explicit instructions not, in any case, to vary from our price in the future, and don't think there will be any further occasion for reporting oil sales at less than our market price.

Very truly yours,

ARCHER-DANIELS LINSEED CO.

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612 [Copy.]

Market Letter No. 183—Flaxseed Crushing Industry—January 15, 1919.

REPLY FROM SUBSCRIBER #6 TO MARKET LETTER #172—REVISED QUOTATIONS APPARENTLY MISSING FROM SUBSCRIBER #6.

JANUARY 14, 1919.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We acknowledge receipt of your market letter #172.

Prior to December 28th we erroneously included in our weekly report only "less than carload lots" of linseed oil which were not reported in our daily report. This weekly report showed the actual price obtained for delivery from warehouses.

Commencing with our report of December 28th we have included all sales in our weekly report, and we have reduced the prices to a common basis.

It is our understanding that the linseed crushers' council decided to use the price of linseed oil in barrels, carload lots, as the basic price. Therefore in our weekly report we have deducted 3¢ per gallon from the price of deliveries which were made from our warehouses.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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613 [Copy.]

Market Letter No. 187—Flaxseed Crushing Industry—January 20, 1919.

REPORTED SALE TO AMERICAN RADIATOR CO.

Will council members please report promptly through the bureau whether or not they have made the sale referred to in the following letter?

MINNEAPOLIS, MINN., 1/17/19.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On January 13th we quoted the American Radiator Co. a price of $1.48, raw basis, in tank cars, delivered Black Rock, N. Y.

We were advised that the order was placed with competitors at a lower price. Will you kindly ascertain if the order was placed with one of your subscribers, and at what price?

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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614 [Copy.]

Market Letter No. 189—Flaxseed Crushing Industry—January 20, 1919.

COMPILATION REPORT—MARKET LETTER #174, REPORTED QUOTATION TO THE CALIFORNIA PAINT COMPANY, OAKLAND, CAL.

Five subscribers state in effect that they have made no recent quotations to the California Paint Company, Oakland, Cal., and five that they have neither quoted nor sold.

An additional reply on the transaction follows:

American Linseed Company (1/14/19):

"We have no record of having quoted the California Paint Co. near the date mentioned by subscriber #12, at anything under our regular published price, $1.64 carlots, $1.67 warehouse deliveries."

The sale was apparently made by subscriber #6 in accordance with their last filed price; their letter follows.

Midland Linseed Products Co. (1/14/19):

"We sold the California Paint Co., of Oakland, California, 100 barrels of linseed oil for delivery from our warehouse, January to May, inclusive, at $1.67 raw basis. This sale was made under date of January 4th."

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615 [Copy.]

(Subdiv. 6 & 7, Art. V.)

Market Letter No. 190—Flaxseed Crushing Industry—January 21, 1919.

QUESTIONING SUBSCRIBER NO. 4'S REPORT #20–A, JANUARY 15TH.

To WM. O. GOODRICH CO.

Will you kindly reply promptly through the bureau to the following letter?

MINNEAPOLIS, MINN., *Jan. 17th,* 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Wm. O. Goodrich Co.'s quotation report No. 20–A, Jan. 15th, detailed price list, shows the following prices:

Zone 4, 1.48; zone 5, 1.48; zone 6, 1.49; zone 7, 1.53; zone 8, 1.53.

Why these variations from the usual freight cost differentials?

Yours truly,

MINNESOTA LINSEED OIL CO.
(Signed) F. C. SMITH.

* Returned for legal exception; received January 21, 1919.

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616 [Copy.]

Market Letter No. 196—Flaxseed Crushing Industry—January 24, 1919.

ADVANCE NOTICE OF IMPORTANT ACTION TAKEN AT THE LAST MEETING.

Your attention is called to the following extracts from the minutes of the meeting of yesterday, full copy of which will shortly be in your hands:

The following resolution, made by Mr. Kellogg and seconded by Mr. Ramsey, was unanimously approved:

"Resolved, That this council's recommended terms for the sale of linseed oil be 1% 10 days or 30 days net, trade acceptance from the

date of shipment, and all members instituting these recommendations, or any others, shall advise the bureau of such action not later than January 27th."

Motion by Mr. Kellogg, seconded by Mr. Warner and unanimously carried:

"Moved that on and after date all oil, cake, or meal sold to members by other council members must be reported in exact accordance with the provisions of the service contract, excepting that in the weekly sales report sale of such oil, cake, or meal shall be separated and otherwise specifically identified."

The following report by the bureau, as read to the meeting, is also relayed herewith for special emphasis, as requested by the meeting:

"These are a few weak points in the reporting system in the offices of some of the council members which are delaying compilations and handicapping our service generally:

"1. Monthly report of stock on hand is being overlooked by a number of subscribers until prompted by the bureau. (This is due on or before the tenth of the month.)

"2. Confirmation reports: Some subscribers are in the habit of confirming telegrams by letter; this does not take the place of the printed confirmation report which should be completely filled out; individual zone prices should be reported in each confirmation, whether or not they have been changed since last price list was filed.

"3. Export sales are not regularly listed in weekly sales reports. If there have been no export sales during the week, it should be so stated in the space provided. Export sales should not be listed on daily carload sales reports.

"4. There is an increasing tendency to discrepancy between the day and date on daily sales reports; this often delays a compilation for several days.

"5. Subscribers frequently fail to state name and address of customer in reporting special quotations."

Emphasis must also be laid on the fact that from now on the weekly sales report must represent the recapitulation of all sales for the week, including the daily carload sales, irrespective of the previous reporting of these sales, and in addition differentiate in that report the oil shipped direct and from warehouse.

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617 [Copy.]

Market Letter No. 177—Flaxseed Crushing Industry—January 25, 1919.

REPORTED SALE TO WAGGENER PAINT & GLASS CO., KANSAS CITY.

Will all council members kindly report promptly through the bureau whether or not they were concerned in the transaction mentioned below, giving full particulars?

NEW YORK, *Jan. 23, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES.
Chicago.

GENTLEMEN: Will you please bulletin subscribers in the usual way with a view to getting information on what basis a sale was made to the Waggener Paint and Glass Co., Kansas City, on or about January 6th? We quoted our published price, $1.53 freight allowed, full carloads, direct shipment, and are informed that they were able to buy at a lower price.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE.
Manager, Oil Sales Dept.

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618 [Copy.]

Market Letter No. 199—Flaxseed Crushing Industry—January 25, 1919.

REPORTED CONCESSIONS OBTAINABLE BY SIMMONS HARDWARE CO., ST. LOUIS, MO.

Will subscribers report promptly and fully through the bureau whether or not they have any knowledge of the condition referred to in the St. Louis market?

BUFFALO, N. Y., *January 24, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Our St. Louis representative reports the following conversation with the purchasing agent of the Simmons Hardware Company of St. Louis a few days ago:

"You know there are a lot of little things which enter into buying goods and the buyers placing orders. Now, I am not saying that I buy oil this way, but I might be able to buy oil at $1.46 to-day, the order not to be turned in for 48 hours. If it does go down, I get the benefit of the decline; if it goes up, I get it at $1.46. Another thing, I might buy a carload of oil to-day. The market is $1.46 raw, and pay a premium of 1¢ per gallon, or $1.47 with protection for thirty days on any undelivered portion, should there be a decline."

Will you kindly bulletin the subscribers, with the view of ascertaining if they know of any such agreement existing?

Yours very truly,

SPENCER KELLOGG & SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager.

619

[Copy.]

(Subdiv. 6 & 7, Art. V.)

Market Letter No. 201—Flaxseed Crushing Industry—January 27, 1919.

Excerpts from minutes of meeting, January 23d, 1919:

21. As the bureau had been commissioned at the last meeting to obtain figures showing the freight costs on oil per gallon from Minneapolis as a basis the different distributing centers where oil was carried in warehouse by various council members Mr. Armstrong, for the bureau, distributed a sheet of such tabulations as prepared by the Lent Traffic Service of Pittsburgh, the rates listed thereon being given in cents per ton for meal, cents per 100 pounds, and cents per gallon for oil in tank cars, together with cents per gallon for oil in barrels.

* * * * * * *

25. In order to secure definite analysis of such price lists the roll was called on the question as to whether or no the various price lists of the council members now on file with the bureau and covering the present freight zone system could be stated to represent delivered prices on full carloads only until such council members should advise to the contrary through the bureau. The answer to this question was unanimously in the affirmative.

* * * * * * *

26. NOTE.—The council members are advised by the bureau that while their answer to the above question is to be accepted as a system of their present basis of making their respective quotations, and clearing same through the bureau, there are no restrictions whatsoever in making any changes that they may see fit to make in such policy excepting, of course, that they shall at once advise the bureau fully and completely when such changes have been made.

620 27. The matter carried over from the last meeting, as covered by paragraph 37, page 7, of the minutes of that meeting, recommended terms and cash discounts for the sale of oil, was then taken up and the question as to whether or no these recommendations should be further reviewed was placed before the meeting, resulting in the following motion, made by Mr. Ramsey, seconded by Mr. Daniels, and unanimously carried:

*28. "Moved that the question of the recommended terms for the sale of oil, as previously passed upon, be again taken up for discussion and reconsideration."

29. As this question was then opened for discussion, Mr. Kellogg spoke at length of the experiences of his company in the matter of securing trade acceptances, and Mr. Kellogg expressed himself as decidedly in favor of the trade acceptance.

30. Mr. Adams, of the American Linseed Company, stated that although his company was experiencing some difficulty in securing

a strict adherence to the terms of sale as adopted by them, he nevertheless felt disposed to now endorse such terms for the consideration of the other crushers.

31. Mr. Ramsey, as a paint grinder as well as a crusher, gave to the meeting his ideas on this subject as viewed from the standpoint of the purchaser.

32. With further general discussions on this matter it was finally concluded that a new set of recommendations covering terms and cash discounts for the consideration of the council members was now in order.

33. The following resolution was then offered by Mr. Kellogg, seconded by Mr. Ramsey, and unanimously carried:

*34. "Resolved that it now be recorded that the recommended terms of this council for the sale of oil be 1% discount for cash settlement in 10 days, or 30 days net trade acceptance from date of shipment, and in order that a specific list of the terms of sale of all the council members may now be compiled and distributed, it is further resolved that all council members shall send to the bureau, not later than January 27th, a full explanation of the terms of sale as quoted by them to their trade."

621 (Subdiv. 8, Art. V.)

56. The bureau then took occasion to review a seeming delay in in the dispatch and receipt of telegrams, taking for its example a complaint received from the Archer-Daniels Linseed Company that the recent price revision by Spencer Kellogg & Sons, Inc., had been relayed to them by their agents several hours in advance of the receipt of the same information from the bureau.

57. In a review of this specific instance the bureau advised the meeting that the bureau used a time stamp on all messages and communications, and the records in the case in question were as follows:

Wire advice from the Spencer Kellogg Company filed at Buffalo 10.08 eastern time.

Received by the bureau at 12.45 p. m. Chicago time.

Relayed by the bureau to all subscribers at 12.55 p. m., which relay was received by Archer-Daniels Linseed Company at 3.30 p. m.

58. It was clearly evident that the Postal Telegraph Company, who had transmitted this wire from the bureau to Minneapolis, was exceedingly slow, but it was also evident to the meeting that telegraphic delays under the present Government management obtained universally.

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622 [Copy.]

Market Letter #203—Flaxseed Crushing Industry—January 30, 1919.

REPORTED VARIATION IN TERMS OF SALE BY SUBSCRIBER #2.

Will subscriber #2 respond promptly through the bureau to the matter quoted below?

While the inquiring subscriber asks for views of other council members, it seems unnecessary to have a new expression, as terms of sale are so obviously a part of price lists, and so understood by all; any changes therein must therefore be filed with the bureau in the same manner as changes in price. If, however, there is any question on the subject, we shall be glad to hear from subscribers.

MINNEAPOLIS, MINN., *January 28, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We have received a letter from one of our customers advising us that he is in possession of a letter from one of the agents of the Ankeney Linseed Manufacturing Company offering linseed oil with the price guaranteed against decline.

This is an unusual variation in the* usual terms of sale, and it seems to us that if any subscriber offers linseed oil with the price guaranteed against decline, such terms should be reported as a part of that subscriber's price list.

Will you kindly ascertain the views of the subscribers on this subject?

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

*This so evidently refers to the Ankeney Linseed Manufacturing Company's terms of sale that the word "the" is passed by the bureau.

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623 [Copy.]

Market Letter #205—Flaxseed Crushing Industry—January 30, 1919.

COMPILATION REPORT—MARKET LETTER #187, REPORTED SALE TO AMERICAN RADIATOR CO.

The file of replies to the above market letter completed to-day discloses the following:

Nine subscribers state, in effect, that they have neither quoted nor sold the American Radiator Co.

Two additional replies are published below:

Archer-Daniels Linseed Co. (Jan. 21, 1919):

"In reply to your circular letter #187, we quoted the American Radiator Co. a tank of raw oil at 1.48 delivered Black Rock, N. Y., Jan. 13th, but did not secure the order."

Red Wing Linseed Oil Co. (Jan. 21, 1919):

"Replying to your Market Letter #187. We, on January 13th, quoted the American Radiator Company one tank car of raw linseed oil at $1.48 raw basis, freight allowed to Black Rock. We did not secure the order."

The following letter from Spencer Kellogg & Sons, Inc., advises where the sale was probably made:

Spencer-Kellogg & Sons, Inc. (Jan. 21, 1919):

"Replying to Market Letter #187, we beg to advise that we have not sold the American Radiator Co. for Black Rock delivery for some time past. We believe we are in a position to state authentically, however, that this tank car was placed with the Mann Bros. Linseed Co. of Buffalo, at $1.46, basis raw in tanks.

"Trusting this will answer the above-mentioned market letter, we are."

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624 [Copy.]

Market Letter #207—Flaxseed Crushing Industry—January 30, 1919.

REPORTED SALES TO EAGLE-PICHER LEAD CO., CINCINNATI, AND GLIDDEN CO., CLEVELAND.

Will all subscribers kindly report promptly through the bureau whether or not they have recently quoted or sold the two concerns mentioned in the letter below, giving full particulars of any quotations or sale made?

BUFFALO, *N. Y., Jan. 29, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Ill.

GENTLEMEN: On Jan. 27th we quoted the Eagle-Picher Lead Co., Cincinnati, $1.38 basis raw in tank cars on 2 tanks for immediate shipment, and they have informed our representative that they bought at considerably less. On the same date we quoted the Glidden Co., of Cleveland, on 1 tank for immediate shipment at the same price, and we have been informed by them that they placed their order at a less figure.

Will you kindly bulletin the subscribers with the view of ascertaining if they sold either one of these concerns on the date mentioned; and if not, if they have any knowledge of with whom the orders was placed?

Very truly yours,

SPENCER KELLOGG AND SONS, INC.,
(Signed) S. C. MURRAY,
Linseed Oil Dept.

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625 [Copy.]

Market Letter #208—Flaxseed Crushing Industry—January 30, 1919.

REPORTED QUOTATION BY SUBSCRIBER #6'S BROKERS IN THE CLEVELAND DISTRICT.

To MIDLAND LINSEED PRODUCTS CO.:

Will you kindly explain promptly through the bureau the matter referred to in the following letter?

BUFFALO, N. Y., *Jan. 29, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Re-sale oil.

GENTLEMEN: We are advised by our Cleveland representative that Smead & Co., brokers, and who represent the Midland Linseed Products Co., are offering linseed oil on a basis of $1.39 per gallon in cooperage for January/April shipment. This is a delivered price for the Cleveland district, which is in zone #2.

This apparently is re-sale oil, as the price quoted is 5¢ below the Midland's published price for this zone.

Please have the Midland Company bulletined on this and let us know the results.

Yours very truly,

SPENCER KELLOGG & SONS, INC.
(Signed) J. H. MATTHEWS,
Assistant General Manager.

626

[Copy.]

Market Letter #210—Flaxseed Crushing Industry—January 31, 1919.

REPORTED QUOTATIONS BY SUBSCRIBERS #3 AND #6.

Will the Archer-Daniels Linseed Co. and Midland Linseed Products Co. kindly reply promptly through the bureau to the following letter, giving full particulars?

NEW YORK, *January 29, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Our agent at Boston reports: "On January 27th subscriber #3 and subscriber #6 were quoting oil for February delivery at 5¢ less than their published price; that is, they were quoting $1.43 instead of $1.48." He further states that these two subscribers have offered to deliver purchases at once, billing them on February 1st at this reduction in price.

As we have had no notice through you of any reduction by them in their published price, we wish you would bulletin them in the usual manner.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

627 [Copy.]

Market Letter #214—Flaxseed Crushing Industry—February 3, 1919.

COMPILATION REPORT—MARKET LETTER #197, REPORTED SALE TO WAGGENER PAINT & GLASS CO., KANSAS CITY.

In the file of replies completed to-day on the above subject, eight subscribers state in effect that they have neither quoted nor sold the Waggener Paint & Glass Co., and three state that they were not concerned in the sale.

An additional reply is published below:

Midland Linseed Products Co. (Jan. 25, 1919):

". . . About January 6th we quoted the Waggener Paint & Glass Company of Kansas City a price of $1.56 raw basis, warehouse delivery. We did not receive the order."

It is evident from the above that the sale was made outside our group of council members.

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628 [Copy.]

Market Letter #217—Flaxseed Crushing Industry—February 3, 1919.

FREIGHT ALLOWANCE ON LESS-THAN-CARLOAD SALES AS DISCUSSED AT LAST MEETING.

(See market letter #201, paragraphs 23–26, inc.)

Will subscribers please give individual expressions on the following so that compilation may be made promptly by the bureau?

NEW YORK, *January 31, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: With reference to market letter #201, paragraph #25. We have advised our various stations that zone prices which we may have in effect shall include in the case of full carlots, direct shipment, freight allowance to destination, and that in case of less than carlots price shall be f. o. b. cars where we carry stocks.

We shall be glad to be advised that other council members are following the recommendation which was made at the last meeting in this respect, and which conforms to the action which we have taken as above.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager Oil Sales Dept.

629 [Copy.]

(Subdiv. 12, Art. Y.)

Market Letter No. 218—Flaxseed Crushing Industry—February 3, 1919.

ANKENEY LINSEED MFG. CO'S REPLY TO MARKET LETTER 203, REPORTED VARIATION IN TERMS OF SALE BY SUBSCRIBER 2.

DES MOINES, IA., *Jan. 31, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We are glad to be able to report promptly to market letter #203. Our Kansas City agents reported to us the error made by their office a few days ago in the circular issued by them, quoting linseed oil with the price guaranteed against decline, and which guarantee should have followed the quotation of the article listed just above linseed oil on their sheet.

They tell us that they promptly issued a correction calling attention to their error and to the article on which the guaranteed price applied. Our agents regretted the mistake very much.

If the reporting council member's agent at Kansas City have not yet had a correction on this error from our agents there, we kindly ask to be advised promptly.

Yours very truly,

ANKENEY LINSEED MFG. CO.
(Signed) H. E. ANKENEY, *Sec'y.*

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630 [Copy.]

Market Letter #219—Flaxseed Crushing Industry—February 4, 1919.

REPORTED OFFERINGS BY BOSTON AGENT OF SUBSCRIBER #6.

TO MIDLAND LINSEED PRODUCTS CO.:

Will you kindly reply, promptly and fully, to the following matter?

BUFFALO, N. Y., *Feb. 3, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We have been informed by our Boston representative that a purchase was made by the U. S. Gutta Percha Paint Company, of Providence, on or about Jan. 15th of this year of one car of linseed oil, which order was placed with a Mr. Gale, who, we understand, is the Boston agent of the Midland Linseed Company, and this order

was entered on the terms of 1% for cash in ten days; Midland's published terms at the time were sight draft against documents. We quoted on this particular transaction on our terms as published, and lost the order.

We are also advised that the Acme Oil Company, with whom Mr. Gale is connected, have been in the Boston market for some five years, offering oil in small lots of 5 or 10 barrels, and always at 1¢ under the prices quoted by all of the large crushers, at the time including Midland. In other words, the purchaser would get a quotation from any of the crushers and would then call Mr. Gale on the telephone and he would sell them 1¢ under the market.

We are interested to know if this arrangement is still in force, and what selling arrangement, if any, they have with the Midland people. Obviously unless they have some protection from the crushers, the Acme Oil Company would be unable to sell at 1¢ below the market.

We are desirous of having the subscriber mentioned bulletin on these matters, and would appreciate a full report.

Very truly yours,

SPENCER KELLOGG & SONS, INC.,
(Signed) S. C. MURRAY.

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631 [Copy.]

Market Letter #221—Flaxseed Crushing Industry—February 4, 1919.

ANOTHER INQUIRY REGARDING REPORTED QUOTATIONS BY SUBSCRIBERS #3 & 6.

To ARCHER-DANIELS LINSEED CO. and
MIDLAND LINSEED PRODUCTS CO.

Will you please reply fully through the bureau to the letter published below?

BUFFALO, N. Y., *Feb. 3, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Linseed oil.

GENTLEMEN: We have just been advised by our Boston representative that subscribers #3 and #6 are quoting some points in the vicinity of Boston at the same as their Boston price and even allowing the freight to destination. We have instructed all of our representatives to add freight to their warehouse price when quoting on the delivered basis. Will you therefore kindly bulletin subscribers #3 and #6 with the object of ascertaining if they are actually quoting freight allowed at the same figure as their warehouse price?

Yours very truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) S. C. MURRAY,
Linseed Oil Department.

632 [Copy.]

Market Letter #222—Flaxseed Crushing Industry—February 5, 1919.

COMPILATION REPORT—MARKET LETTER #207, REPORTED SALES TO EAGLE-PICHER LEAD CO., CINCINNATI, AND GLIDDEN CO., CLEVELAND.

The file of replies on the market letter referred to above has been completed to-day. Eight subscribers state, in effect, that they have neither quoted nor sold the two concerns mentioned. Four additional replies are quoted below:

American Linseed Company (Feb. 3, 1919):

"We quoted the Eagle Picher Lead Co. on January 27th, at $1.38 per gallon basis raw in tank cars, on one tank for prompt, one tank thirty day shipment and were informed that our prices were high as they could buy at less. We have since been informed that this report of a lower price was based on an error by the Telegraph Co. in a wire from the Archer-Daniels Co. to the Eagle and that the seller had been relieved from consummating the sale.

"We quoted also the Glidden Co. on the same day for immediate shipment, but did not get the order, but have not been informed that they had paced their order at a less figure."

Archer-Daniels Linseed Company (Jan. 31, 1919):

"We did not sell either of these people linseed oil. Our agent at Cincinnati states that Mann Brothers at Buffalo sold the Eagle Picher Lead Company in Cincinnati and do not know who sold the Glidden Company at Cleveland."

Minnesota Linseed Oil Co. (Jan. 31, 1919):

"We quoted the Eagle-Picher Lead Co., Cincinnati, Ohio, basis $1.38 raw in tank cars. No sale.

"We made no quotation to the Glidden Co. of Ceveland, Ohio."

The Toledo Seed & Oil Company (Jan. 31, 1919):

"We have neither quoted or sold the Eagle Picher Lead Company nor the Glidden Company, Cleveland, Ohio.

"We are inclined to believe from information recently gathered that the Metzger Seed & Oil Company have probably booked this business."

It is evident from the above that these sales were made outside of our group of subscribers.

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633 [Copy.]

Market Letter #223—Flaxseed-crushing Industry—February 5, 1919.

REPORTED SALE TO STANDARD OIL COMPANY.

Please advise promptly and fully through the bureau whether or not you have recently quoted or sold the Standard Oil Company.

NEW YORK, N. Y., *Feb. 3, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Will you kindly bulletin the subscribers with a view to determining who made a sale and at what price to the Standard Oil Company on January 24th 40 barrels boiled linseed oil, f. o. b. Whiting, Ind. We quoted this at $1.49 freight allowed, and they claim to have bought at a less price.

Yours very truly,

AMERICAN LINSEED COMPANY.
(Signed) F. K. QUINE,
Manager Oil Sales Dept.

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634 [Copy.]

Market Letter #224—Flaxseed-crushing Industry—February 5, 1919.

REPORTED SALE TO ENTERPRISE PAINT MFG. CO.

Will all council members please reply promptly and fully through the bureau whether or not they made the sale in question to the following?

NEW YORK, N. Y., *Feb. 3, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Our Chicago manager advises us that under date of February 1st the Enterprise Paint Mfg. informed him that they had bought 10 barrels linseed oil at less than $1.46 from another crusher in the Chicago territory. Will you kindly bulletin the subscribers with a view to finding out if any of the crushers sold this lot at under their published price?

Yours very truly,

AMERICAN LINSEED COMPANY.
(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

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635 [Copy.]

Market Letter #225—Flaxseed-crushing Industry—February 5, 1919.

REPORTED CONCESSIONS TO INTERNATIONAL HARVESTER CO.

Will subscribers kindly advise the bureau promptly whether or not they have been concerned in the matter referred to below, giving full particulars?

NEW YORK, N. Y., *Feb. 3, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Our Chicago manager advised that the International Harvester Co. seem to have some arrangement apparently whereby they are getting warehouse lots at less than sellers' open price. He further states that in a talk with their buyer this week, i. e. February 1st, he gave our manager to understand very plainly that the invoice price did not necessarily represent their actual cost.

Will you kindly bulletin the subscribers with a view to finding out if there is any special arrangement by any of them with the International Harvester Co.?

Yours very truly,

AMERICAN LINSEED COMPANY.
(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

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636 [Copy.]

Market letter #226—Flaxseed crushing industry—February 5, 1919.

COMPILATION REPORT—MARKET LETTER #199, REPORTED CONCESSIONS OBTAINABLE BY SIMMONS HARDWARE COMPANY, ST. LOUIS, MO.

American Linseed Co. (Feb. 3, 1919):

"We communicated with our St. Louis representative and have the following reply from him:

"'In reply will say that several times the writer has received orders from the Simmons Hardware Co.; for instance, on Saturday, for 5, 10, or 15 barrels to be delivered the following Monday, with the understanding that if there was a decline in price they were to have the benefit of the decline. In case there was no change in price, the oil would be invoiced at price ruling on date order was received, which has been the custom, I understand, of our competitors.

"'In regard to the possibility of their buying a carload of oil to-day at the market, $1.46 raw, and pay a premium of 1¢ per gallon, or $1.47, with protection for 30 days on any undelivered portion should there be a decline; we have never offered oil for sale under these conditions, and if this is being done by any of our competitors the writer has not heard of it. It may possibly be that the buyer was feeling out Spencer-Kellogg's representative thinking he might consider such a proposition.'"

Ankeney Linseed Mfg. Co. (Jan. 31, 1919):

"We have not authorized our St. Louis agents to make any such terms as the purchasing agent of the Simmons Hardware Company, of St. Louis, reports, in his conversation with the agent of council member #12, nor have we ourselves directly advised the hardware company referred to of any such terms."

Archer-Daniels Linseed Co. (Feb. 1, 1919):

"We quote from our St. Louis agent as follows:

"'We think our competitor after a few years' experience with Simmons' buyer will not hurry off to report conversations in which he refers vaguely to imaginary terms and conditions that he is receiving from others. I went through the same experience long years ago with this same buyer and spent much time and money sending reports by wire and letter as to what our competitors were doing for him, a large part of which was purely imaginary. We think perhaps the Simmons buyer has dug up some old arrangement he may have had with the Brown Oil Co. years ago when they were operating a mill in St. Louis; in fact, the story sounds familiar to me. I think I heard it about 14 years ago when I first landed in this market. If they have bought oil on any such terms we know nothing about it.

"'It seems to be a little hard for our competitors to get it through their heads that anyone would give us an order at an equal price. If they fail to get a certain order, they immediately jump to the conclusion that we are cutting the price, and it seems to be the policy of some buyers to confirm them in this belief.'"

Wm. O. Goodrich Company (Jan. 29, 1919):

"It seems to us that the proposition referred to is one which by subterfuge attempts to effect a guarantee of price.

"This is a practice which we have always been very much opposed to and have never practiced. We think a good many years ago it was done by certain crushers, but proved an unfortunate kind of contract from the standpoint of the crusher, and for the past several years we have not heard of its having been offered to any of our trade by any crusher.

"We should regard such an agreement as distinctly in contravention to the best interests of the crushers under your service."

637 Hirst & Begley Linseed Co. (Jan. 27, 1919):

"We have not done any business with the Simmons Hardware Co., of St. Louis. In regard to agreement mentioned in your letter, we regard this as poor business and we have never felt it necessary to resort to arrangements of this nature to sell our products."

Midland Linseed Products Co. (Jan. 30, 1919):

"We do not have a St. Louis representative. No agent of this company has recently called on the Simmons Hardware Company in St. Louis.

"We are pleased to say that we have never employed any of the selling methods suggested in your letter."

Minnesota Linseed Oil Co. (Jan. 27, 1919):

"We know of no agreements or arrangements such as are described in this market letter."

National Lead Company (Jan. 31, 1919):

"We can throw no light on the subject, as have not come in contact with such possible situation."

Northern Linseed Oil Co. (Jan. 27, 1919):

"We know of no arrangement or agreement as outlined by Subscriber 12, and if such a one exists we are very much interested to know by whom it is made."

Red Wing Linseed Oil Co. (Jan. 27, 1919):

"We have neither quoted nor sold the Simmons Hardware Company, of St. Louis, in line with plan mentioned."

Sherwin-Williams Co. (Feb. 3, 1919):

"We have had no dealings with the party referred to, namely, Simmons Hardware Co., of St. Louis, Mo."

Toledo Seed & Oil Co. (Jan. 27, 1919):

"Wish to advise that we have no such arrangement with the Simmons Hardware Co., St. Louis, or any other of our customers.

"We can believe that none of the council members can possibly have such an arrangement, as it manifestly is a practice which is detrimental to the best interests not only of the crushing industry but to the trade as well."

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638 [Copy.]

(Subdiv. 6 & 7, ART. V.)

Market Letter No. 227—Flaxseed Crushing Industry—February 5, 1919.

REPORTED QUOTATION IN ZONE THREE BY PITTSBURGH AGENT OF SUBSCRIBER NO. 6.

To MIDLAND LINSEED PRODUCTS CO.

The following letter apparently reopens the subject of reported quotation by your Pittsburgh agent (as per market letters #130, 132, and 143) and it seems proper that you should go into the matter thoroughly and make a full report through the bureu.

MINNEAPOLIS, MINN., *Feb. 4th, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We hear that the Midland Linseed Company's agent at Pittsburgh is quoting oil delivered in zone three, and several carload buyers in that zone have stated they could buy oil for less than our price from Pittsburgh. Please ask the Midland Co. if these statements we hear are correct.

Very truly yours, ARCHER-DANIELS LINSEED CO.

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639 [Copy.]

(Subdiv. 12, Art. V.)

Market Letter No. 229—Flaxseed-Crushing Industry—February 6, 1919.

REPORTED VARIATION IN FILED SALES TERMS.

The letter appended calls for a full expression from each of the council members and a refiling of terms if any subscriber has made the deviation reported.

The ARMSTRONG BUREAU,
Chicago.

GENTLEMEN: We have a letter from one of our customers as follows:

"One linseed oil crusher has restored the former cash discount 1% 10 days, and one crusher has made same retroactive to November 1st, 1918. We believe you should do the same on such oil, as we have purchased from you during this period."

Will you please bulletin the members of the bureau and ask if this is the general practice?

Very truly yours,

ARCHER DANIELS LINSEED COMPANY.

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640 [Copy.]

Market Letter #231—Flaxseed-Crushing Industry—February 7, 1919.

REPORTED QUOTATION TO THE HANSEN GLASS & PAINT COMPANY BY SUBSCRIBER #10.

To RED WING LINSEED OIL CO.:

Will you kindly report fully through the bureau upon your transactions with the Hansen Glass & Paint Co., in accordance with the inquiry published below:

NEW YORK, *January 5, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Mr. E. C. Currier, president of the Hansen Glass and Paint Co., Sioux City, Iowa, makes the following statement to our manager at that point, under date of January 30th:

"We would advise you that on January 28th, the Redwing linseed mill, of Redwing, Minn., came out with quotations, offering to deliver to us, f. o. b. Sioux City, linseed oil at $1.43 and $1.45, usual terms."

This indicates that they were quoting raw linseed oil at $1.43, and boiled at $1.45.

Will you please bulletin the Red Wing Co., asking if they can confirm having quoted this price to the Sioux City concern? Our customer is asking us for a credit memo. to meet this quotation.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

641 [Copy.]

Market Letter #235—Flaxseed Crushing Industry—February 7, 1919.

REPLY FROM MIDLAND LINSEED PRODUCTS CO. TO MARKET LETTER #219, REPORTED OFFERINGS BY BOSTON AGENT OF SUBSCRIBER #6.

MINNEAPOLIS, MINN., *Feb. 6, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We acknowledge receipt of your market letter #219. We do not find that we have sold U. S. Gutta Percha Paint Company, of Providence, R. I., since January 1st of this year.

Evidently, therefore, the Boston representative of Spencer Kellogg & Sons, Inc., has been misinformed on this subject.

We have no agency arrangement with the Acme Oil Company, of Boston. We have no relations with them other than we have with other buyers of linseed oil. We have made a number of sales to the Acme Oil Company since October 1st, 1918, all of which have been made at our regular price at the time and on our usual terms.

The Acme Oil Company do not receive from us any protection whatever, and our contracts with them are on the usual terms, and executed in the usual manner.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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642 [Copy.]

Market Letter #238—Flaxseed Crushing Industry—February 10, 1919.

REPLIES FROM COUNCIL MEMBERS ADDRESSED TO MARKET LETTER #210, REPORTED QUOTATIONS BY SUBSCRIBERS #3 AND #6.

MINNEAPOLIS, MINN., *Feb. 1, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In reply to your market letter #210 we have not quoted oil in Boston at less than our published price, namely, 1.45 in carload lots and 1.48 warehouse for either spot or future delivery.

Yours very truly,

ARCHER-DANIELS LINSEED COMPANY.

MINNEAPOLIS, MINN., *Feb. 7, 1919.*
(Received Feb. 10.)

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Replying to your market letter #210, this letter was referred to our Boston agent, who replies as follows:

"Please be advised that no such quotation has been made by the Midland, and I think I am perfectly safe in saying that no such quotation was made either by the Archer-Daniels Company. I would attribute this to a trade rumor by unscrupulous buyers as an attempt to break the market."

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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643 [Copy.]

Market Letter #239—Flaxseed Crushing Industry—February 10, 1919.

REPLY FROM RED WING LINSEED OIL CO. TO MARKET LETTER #231, REPORTED QUOTATION TO THE HANSEN GLASS & PAINT CO. BY SUBSCRIBER #10.

RED WING, MINN., *Feb. 8, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Replying to your market letter #231. We quoted Hansen Glass & Paint Company, of Sioux City, Iowa, strictly in line with our last price list, which is on file with you. Our quotation, however, was for carload quantities; it appears that Mr. Currier did not mention anything about quantity that this particular quotation covered. Mr. Currier should not compare our carload quotation to cost of oil to him in warehouse quantities.

Yours very truly,

RED WING LINSEED OIL CO.,
(Signed) HARRIS G. NELSON,
Vice President.

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644 [Copy.]

Market Letter #240—Flaxseed Crushing Industry—February 10, 1919.

MIDLAND LINSEED PRODUCT CO.'S REPLY TO MARKET LETTER #208, REPORTED QUOTATION BY SUBSCRIBER #6'S BROKERS IN THE CLEVELAND DISTRICT.

MINNEAPOLIS, MINN., *Feb. 7, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Replying to your market letter #208, we are advised by the E. R. Smead Company, our Cleveland agent, that they offered some resale oil for the account of one of their Cleveland customers.

We have fully explained in our letter to-day to the Smead Company the embarrassing nature of such transactions and that such a

quotation places us in the position of violating our service contract, and we have issued positive instructions to the Smead Company to discontinue such offerings in the future.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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645 [Copy.]

Market Letter #244—Flaxseed Crushing Industry—February 12, 1919.

COMPILATION—MARKET LETTER #225, REPORTED CONCESSIONS TO INTERNATIONAL HARVESTER CO.

In the file of replies completed this morning 9 subscribers state in effect that they have had no recent transaction with the company mentioned.

3 additional replies are published below:

William O. Goodrich Company (2/6/19):

"We have no special arrangement with the International Harvester Company, and in this connection wish to state that our invoice price to buyers represents the actual cost of the goods to them. Any other arrangements would, in our opinion, be an underhanded method of getting business which we do not recognize."

Hirst & Begley Linseed Co. (2/6/19):

"We now have no special arrangement with the International Harvester Co. by which they are able to purchase linseed oil from us at better than the usual terms.

"We are now completing a contract made with them in July, 1918.

"In this connection I beg to say that council members and their agents should be very particular in repeating conversations had with buyers. In the above instance I am inclined to think your correspondent in error when he states that the buyer for the International Harvester Co. made the statement very plainly that the 'invoice price did not necessarily represent their actual cost.'

"We have done a large business with the above company and know positively there is no basis for the insinuation couched in this inquiry."

Spencer Kellogg and Sons, Inc. (2/6/19):

"International Harvester Co.: The purpose of this letter is to advise the associated subscribers to the Armstrong Bureau service that this company has no special arrangement with this customer and that any sales made to them would be on the basis of our published price list.

"Subscriber No. 1 no doubt will be interested in knowing that our Chicago manager has had the same experience with the buyer for this company as reported by them through your market letter of this date."

646 [Copy.]

Market Letter #245—Flaxseed Crushing Industry—February 12, 1919.

COMPILATION—MARKET LETTER #224, REPORTED SALE TO ENTERPRISE PAINT MFG. CO.

In the file of replies to-day completed, 11 subscribers state, in effect, that they have neither quoted nor sold the Enterprise Paint Mfg. Co.

The sale was apparently made by subscriber #6, whose letter follows:

MINNEAPOLIS, MINN., *Feb. 6, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Replying to your market letter # 224, we sold the Enterprise Paint Manufacturing Company on February 3rd five barrels of bleached linseed oil at $1.50 delivered their plant. This is our price in the Chicago market at the present time.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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647 [Copy.]

Market Letter #246—Flaxseed Crushing Industry—February 12, 1919.

COMPILATION—MARKET LETTER #223, REPORTED SALE TO STANDARD OIL COMPANY.

The file of replies just completed on the above market letter discloses 11 subscribers who state, in effect, that they have neither quoted nor sold.

Following is an explanatory letter from subscriber #5:

CHICAGO, *February 6, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Replying to your market letter #223, of February 5th, we sold the Standard Oil Co. 40 barrels of boiled linseed oil on January 25th, at $1.48 per gallon, f. o. b. Chicago. We are now having a little contention with them in regard to the freight, as we sold it f. o. b. Chicago and they thought it should have been f. o. b. Whiting.

Yours very truly,

HIRST & BEGLEY LINSEED CO.,
(Signed) JNO. L. REQUE,
Vice President.

648 [Copy.]

Market Letter #248—Flaxseed Crushing Industry—February 12, 1919.

COMPILATION—MARKET LETTER #229, REPORTED VARIATION IN FILED SALES TERMS.

American Linseed Company (2/8/19):

"Mr. Adams, who attended the meeting at Chicago, was very clear in his notion of the recommendation with respect to these terms, that the change should take effect at once and terms would be retroactive with respect to undelivered portions of existing contracts or unfilled sales, but that the terms would not be retroactive with respect to deliveries that had been made since November 1st. Making the terms retroactive with respect to the entire business that had been done would entail, in our opinion, a tremendous amount of work, and we think such a course entirely unwarranted."

Ankeney Linseed Mfg. Co. (2/8/19):

"On January 27th we returned to the old terms on linseed oil, namely, 1% discount for cash in ten days, thirty days net, as per our notice of the 25th, but did not make this change in terms retroactive."

William O. Goodrich Company (2/7/19):

"We have not deviated from our terms as now on file with the bureau, and we would not consider any proposition to make these terms retroactive."

Hirst & Begley Linseed Co. (2/7/19):

"On January 27th we advised that we had changed our terms to 1% ten days, which took effect that day, and is not retroactive."

Midland Linseed Products Co. (2/8/19):

"This company has made the terms of one per cent discount in ten days retroactive on business done since November 1st."

Minnesota Linseed Oil Co. (2/10/19):

"After the old terms on linseed oil were reinstated we rather expected we would be called upon by some of our trade to give them the benefit of the change on late shipments, so in two instances only we gave them the benefit of the old discount on last shipment previous to reinstatement of the old terms, but we did not make it retroactive to November 1st."

National Lead Company (2/8/19):

"Although our position in the matter of terms of payment for linseed oil during several months past has been somewhat at variance with that of some other crushers, you may say in reply to the inquiry that we have not taken occasion in any changes effected by us to make the same retroactive."

Northern Linseed Oil Co. (2/7/19):

"We have had one complaint along this line wherein one of our customers made the statement he felt himself entitled to a refund

on the basis of the new terms. However, up to this time we have taken no action in the matter, as we were awaiting development with others who might raise the same question."

Red Wing Linseed Oil Co. (2/7/19):

"Our new terms have only been effective since the date we made the change."

Sherwin-Williams Co. (2/11/19):

"We have made no quotations of prices, discounts, or terms other than those we have on file with your association."

Spencer-Kellogg and Sons, Inc. (2/8/19):

"Immediately after the January meeting this company announced to all customers that our terms from that date would be on the basis of '1% discount for payment within 10 days from date of invoice or 30 days trade acceptance,' and made same retroactive to November 1st on all sales booked since that date and against which delivery had not been completed."

The Toledo Seed & Oil Company (2/10/19):

"Wish to advise that when the change of terms was made it did not become retroactive, as far as we are concerned."

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649 [Copy.]

Market letter #249—Flaxseed crushing industry—February 13, 1919.

REPLY TO MARKET LETTER #227, REPORTED QUOTATION IN ZONE THREE BY PITTSBURGH AGENT OF SUBSCRIBER NO. 6.

The following letter emphasizes the desirability of submitting complete details when requesting market information, and the bureau would suggest that subscriber #3 go into this matter further, securing the name of the customer, so that the case in question may be fully cleared:

* * * * * * *

MINNEAPOLIS, MINN., *Feb. 12, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Replying to your market letter #227, which has been duly submitted to our Pittsburgh agent, our agent denies having recently made any quotations in zone three at less than our published price list.

If subscriber #3 will give us particulars regarding the customer who reports having received lower prices from our Pittsburgh agent, we shall be very glad to further investigate.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

650 [Copy.]

Market letter #252—Flaxseed crushing industry—February 14, 1919.

FURTHER REPLY FROM THE MIDLAND LINSEED PRODUCTS COMPANY TO MARKET LETTER #219, REPORTED OFFERINGS BY BOSTON AGENT OF SUBSCRIBER #6.

(See also market letter #235.)

MINNEAPOLIS, MINN., *Feb. 13, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Referring to your market letter #219, which has been duly referred to our Boston agent, our Boston agent replies that he is not the owner of the Acme Oil Company and cannot without breach of faith discuss its affairs with disinterested parties.

He says that he is familiar with the quotations being made in the Boston market, and that it is not true that the Acme Oil Company is quoting linseed oil prices one cent per gallon less than the prices of the linseed crushers.

He also states that at no time during the past five years, as far as he knows, has the Acme Oil Company made such quotations.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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651 [Copy.]

Market Letter #254—Flaxseed Crushing Industry—February 14, 1919.

REPLIES TO MARKET LETTER #221—ANOTHER INQUIRY REGARDING REPORTED QUOTATIONS BY SUBSCRIBERS #3 AND 6.

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MINNEAPOLIS, MINN., *Feb. 6, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In reply to your circular letter #221, we never have paid any freight on oil out of Boston. The only deliveries we have made there have been by truck, and we have instructed our agent in no case to pay freight on any shipments from Boston.

Very truly yours,

ARCHER-DANIELS LINSEED CO.

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MINNEAPOLIS, MINN., *Feb. 6, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We acknowledge receipt of your market letter #221. This company has never authorized its agents in Boston or elsewhere to sell linseed oil, freight allowed to points in the vicinity of Boston.

An examination of our records does not indicate that our Boston agent has made any such sales, and we do not find any record of customers making deduction for freight allowances.

We are referring the inquiry to our Boston agent, and will write you further as soon as we receive his reply.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

* * * * * * *

MINNEAPOLIS, MINN., *February 13, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We acknowledge receipt of your market letter #221, which has been duly referred to our Boston agent. Our Boston agent replies as follows:

"We are not allowing freight to outlying points on shipments from Boston stock. This practice, I understand, our competitors are also following, but only recently."

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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652 [Copy.]

Market Letter #255—Flaxseed Crushing Industry—February 14, 1919.

COMPILATION REPORT—MARKET LETTER NO. 217—FREIGHT ALLOWANCES ON LESS THAN CARLOAD SALES AS DISCUSSED AT LAST MEETING.

(See Market Letter #201, paragraphs 23–26 inc.)

Ankeney Linseed Mfg. Co. (Feb. 4, 1919):

"On January 23d we established our less than carload price f. o. b. our mill, and at points only where we carry stocks, with freight allowance to destination only in case of full carloads."

Archer-Daniels Linseed Company (Feb. 4, 1919):

"We have adopted the suggestions in Market Letter 201, paragraph 25, and are quoting oil in carload lots delivered in the different zones in less than carload lots f. o. b. stations where we ship oil in full carload lots. In less than carload lots the price is f. o. b. cars where we carry stocks shipped in carload lots."

William O. Goodrich (Feb. 4, 1919):

"With reference to freight allowance on less than carload sales as discussed at last meeting, beg to say that we are following the recommendations made at the said meeting and our agents understand that zone prices which we may have in effect shall include, in the case of full car lots, direct shipment, freight allowance to destination, and in less than car lots prices shall be f. o. b. cars."

Hirst & Begley Linseed Co. (Feb. 4, 1919):

"Our zone prices apply only on direct shipment of full carloads, less than car lots being sold f. o. b. Chicago."

Midland Linseed Products Co. (Feb. 4, 1919):

"The zone prices shown in our price lists cover only full carload lots of linseed oil for direct shipment or less than carload lots f. o. b. station where we carry warehouse stock of linseed oil.

"We do not quote or sell less than carload lots of linseed oil, freight allowed to destination."

Minnesota Linseed Oil Co. (Feb. 4, 1919):

"Our zone prices cover freight allowance on car-lot shipments only. In less than carload shipments our price is f. o. b. the point where we carry stocks.

"We consider deliveries made in St. Paul, Minn., the same as 'city deliveries' in Minneapolis, Minn."

National Lead Company (Feb. 11, 1919):

"To a very considerable extent we have been applying our selling prices in the manner described in paragraph No. 25 of your Market Letter 201. Will say, however, that in the circumscribed territory that we engage ourselves in the sale of linseed oil the question of established warehouse points and those being currently established by other crushers, and which we consider a large and certainly increasing number is a matter of concern to us, and therefore we may only state at this time that due consideration is being given by us with the purpose of cooperation to arrive at an end both proper and equitable.

"Since our next regular meeting is to be held at a not distant date, it is our opinion that at that time there will be afforded the occasion and opportunity of further discussion of the subject."

Northern Linseed Oil Co. (Feb. 13, 1919):

"We do not make quotations or sales in l. c. l. lots on a delivered basis other than at points where we carry stocks, while our quotations on carloads and tank cars are delivered basis."

Red Wing Linseed Oil Co. (Feb. 4, 1919):

"We are allowing freight only on carload lots, and in less than carload lots we quote f. o. b. mill or warehouse where we carry stocks."

653 The Sherwin-Williams Co. (Feb. 10, 1919):

"Our idea and understanding of the prices quoted in the different zones are f. o. b. destination in carload or tank cars or l. c. l. f. o. b. warehouse points at the listed differential."

Spencer Kellogg and Sons, Inc. (Feb. 8, 1919):

"The policy of this company in quoting l. c. l. shipments will be, from now on, to quote these on the basis of f. o. b. our nearest warehouse stock. However, in those particular instances where the customer requests a delivered price, such quotations will be made on the basis of f. o. b. nearest warehouse stock plus an additional charge of so many cents per gallon to cover the freight from that point to

destination, and in that case our quotation would read 'f. o. b. warehouse at such and such a point, freight allowed.'"

The Toledo Seed & Oil Company (Feb. 7, 1919):

"Our price on carload lots would carry a freight allowance to destination in the zone, but on smaller quantities the price would be f. o. b. cars wherever we carry stock."

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654 [Copy.]

Market Letter #258—Flaxseed Crushing Industry—February 17, 1919.

LESS THAN CARLOTS IN TANK CARS—REFERRING TO SUBSCRIBER #3'S LIST IN DAILY SALES REPORT #107.

To ARCHER-DANIELS LINSEED CO.:

Will you please make the explanation requested in the following letter promptly, through the bureau?

NEW YORK, *Feb. 15, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: With regard to sales report #107 item "80 barrels, bulk, raw oil" reported by Subscriber #3 for delivery in April, at their tank-car price. We would like to ask if this was sold for delivery in a tank car, as we note that the quantity is only sufficient to fill about two-thirds of the usual cars that are being operated by any crusher, and about 800 gallons less than the smallest car operated by the Subscriber #3.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

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655 [Copy.]

Market letter #259—Flaxseed crushing industry—February 17, 1919.

FURTHER INQUIRY REGARDING VARIATION IN FILED SALES TERMS.

(See market letters #229 and 248.)

To SPENCER KELLOGG & SONS, INC.:

Will you please reply promptly through the bureau to the following letter?

NEW YORK, *Feb. 14, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: With respect to market letter #248, the report of subscriber #12 is a little obscure, and we would like to ask them to make

it a little clearer. Do they mean that a contract, for instance, which had been made for 100,000 gallons, on which 50,000 gallons had been delivered previous to the latest change in price, the terms would be retroactive as to the 50,000 gallons that had been delivered, or only retroactive to the 50,000 gallons remaining to be delivered?

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager Oil Sales Dept.

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656 [Copy.]

Market letter #260—Flaxseed crushing industry—February 17, 1919.

REPORTED QUOTATIONS TO KNAPP & SPENCER CO., SIOUX CITY, BY SUBSCRIBER NO. 6.

To MIDLAND LINSEED PRODUCTS CO.:

The bureau requests a prompt and full expression on the following:

NEW YORK, *Feb. 14, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Our Sioux City manager advises under date of February 11th that the Knapp & Spencer Co., a hardware concern at that point, assert that on that day they received a telegram signed "Bisbee," quoting single barrels at $1.43 f. o. b. Sioux City, Midland's published price, so far as we are informed, at that point and in zone #1 is $1.46, warehouse delivery.

Will you kindly bulletin the Midland Co., preferably by wire at our expense, as to the truth or falsity of this quotation?

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager Oil Sales Dept.

NOTE BY THE BUREAU.—We are not following the inquiring subscriber's suggestion in this case, as it has been found impracticable to clear such inquiries by wire.

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657 [Copy.]

Market Letter #261—Flaxseed Crushing Industry—February 17, 1919.

FURTHER REPLY TO MARKET LETTER #227—REPORTED QUOTATION IN ZONE 3 BY PITTSBURGH AGENT OF SUBSCRIBER NO. 6.

(See market letter #249.)

To MIDLAND LINSEED PRODUCTS CO.:

We suggest that you now secure further information from your Pittsburgh agent on any quotations he may have made to the A.

Wilhelm Co. to verify the information contained in the following reply from subscriber #3:

MINNEAPOLIS, *Feb. 14, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In reply to your market letter No. 249, our agent reports from Philadelphia that A. Wilhelm Co. had notified him that he had a price in Pittsburgh from the Midland Linseed Co. at a cent less than our quotation.

Very truly yours,

ARCHER-DANIELS LINSEED Co.

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658 [Copy.]

Market Letter #264—Flaxseed Crushing Industry—February 18. 1919.

REPORTED QUOTATION TO MOORE OIL CO., CINCINNATI, O.

As the quotation referred to in the following letter is below the last filed price of each of the council members, it seems in order that all reply promptly, stating whether or not they have made recent quotation to the above-named firm, and giving full particulars:

DES MOINES, IA., *Feb. 17, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Our Indianapolis representative have lately quoted the Moore Oil Co. of Cincinnati, on one or more tanks of raw linseed oil, at $1.38 per gallon delivered Cincinnati.

They have advised our Indianapolis agent that they were offered oil that same day at 8¢ per gallon below our quotation; in fact, we have the letter from the Moore Oil Company before us advising of this lower price.

Will you kindly bulletin our members to find out if they know of any such price ruling at this time in the Cincinnati territory.

The Moore Oil Company simply say they were offered oil at 8¢ below our quotations; they do not say that they bought. We are disposed to doubt their statement.

Yours very truly,

ANKENEY LINSEED MFG. CO.,
(Signed) H. E. ANKENEY, *Sec'y.*

659 [Copy.]

Market letter #268—Flaxseed crushing industry—February 19, 1919.

REPLY TO MARKET LETTER NO. 260—REPORTED QUOTATION TO KNAPP & SPENCER CO., SIOUX CITY, BY SUBSCRIBER #8.

MINNEAPOLIS, MINN., *Feb. 18, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Replying to your market letter #260, we wish to say that no telegram was sent by this company or any officer of this company to Knapp & Spencer Company, of Sioux City, Iowa, on February 11th or about that date.

We sold the Knapp & Spencer Company to-day 70 barrels of linseed oil, to be shipped in one carload lot on April 1st, at $1.43 raw basis, delivered Sioux City. This is the only recent transaction between this company and the Knapp & Spencer Company.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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660 [Copy.]

Market letter #269—Flaxseed crushing industry—February 19, 1919.

REPLY TO MARKET LETTER #258, LESS THAN CAR LOTS IN TANK CARS, REFERRING TO SUBSCRIBER #3'S LIST IN DAILY SALES REPORT #107.

MINNEAPOLIS, MINN., *Feb. 18, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In reply to your market letter #258 will state that we have a joint agency in one of the large cities with one of the other council members. We sold 160 barrels of oil to one of our customers; half of it is for our account and half for the other crusher. When this oil is shipped it will be shipped as a full carload, and our share of same is 80 barrels.

Hoping this explanation will satisfy the American Linseed Co., we are,

Very truly yours,

ARCHER-DANIELS LINSEED CO.

661 [Copy.]

Market letter No. 271—Flaxseed crushing industry—February 19, 1919.

REPORTED QUOTATION TO STUDEBAKER CORPORATION, OF SOUTH BEND, IND.

Will all council members kindly advise promptly and fully through the bureau whether or not they have quoted on the transaction mentioned below?

RED WING, MINN., *February 18, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On February 8th we quoted the Studebaker Corporation, of South Bend, Indiana, on a tank car of raw linseed oil, at $1.38 per gallon f. o. b. Red Wing, Minn., freight allowed South Bend. Terms, 1% 10 days or 30 days net trade acceptance. We are in receipt of information stating that they were able to do considerably better than quoted by us, and under the circumstances were not in a position to favor us with their order. Therefore kindly bulletin the council members, with the view of determining if this business was placed with a nonsubscriber, which seems quite likely.

Yours very truly,

RED WING LINSEED OIL CO.,
(Signed) HARRIS G. NELSON,
Vice President.

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662 [Copy.]

Market letter #275—Flaxseed crushing industry—February 20, 1919.

REPLY TO MARKET LETTER #259—FURTHER INQUIRY REGARDING VARIATION IN FILED SALES TERMS.

(See also market letters #229 & 248.)

BUFFALO, N. Y., *Feb. 19, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Market letter 248:

GENTLEMEN: Answering the inquiry of subscriber #1 on February 14th, our terms as now filed with the bureau are retroactive only on the undelivered portions of contracts booked since November 1st, and under no circumstances apply to deliveries having been made prior to our adopting a new schedule of terms as now filed with the bureau.

Yours truly,

SPENCER KELLOGG AND SONS, INC.
(Signed) V. H. HUNTER,
General Sales Manager.

663 [Copy.]

Market letter #282—Flaxseed crushing industry—February 24, 1919.

INQUIRY REGARDING QUOTATIONS TO C. R. COOK PAINT COMPANY, KANSAS CITY.

All subscribers please reply:

Please give full particulars of any quotation recently made as per the following letter:

NEW YORK, N. Y., *February 20, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Will you kindly bulletin the subscribers with a view to finding out if any of them quoted on February 17th the C. R. Cook Paint Co. at Kansas City at $1.40 in barrels for direct shipment. He claims to have this quotation from two or three crushers and says that it is not resale oil.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager Oil Sales Dept.

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664 [Copy.]

(Subdiv. 8, Art. V.)

Market Letter No. 286—Flaxseed Crushing Industry—February 25, 1919.

INQUIRY REGARDING PRICE LISTED IN ZONE THREE BY SUBSCRIBER #1.

(Daily sales report #114.)

American Linseed Company please reply:

We again call attention to the necessity of immediately advising all subscribers through the bureau of any variation in your filed price and of reporting export sales as such.

Will you please reply promptly to the following letter, giving full particulars of the transaction in question?

BUFFALO, N. Y., *Feb. 24, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Linseed oil:

GENTLEMEN: We note on daily sales report #114 covering sales for Feb. 18th that subscriber #1 sold 300 barrels in zone 3 at $1.43 raw basis, direct shipment prompt. This being 2¢ under their filed price, we would like to have you bulletin this subscriber with the

view of ascertaining if the price mentioned is correct or if the oil was sold for export shipment. We believe if it was sold for export shipment that it was agreed by all subscribers to the Armstrong service that these sales should be reported as export sales. Kindly let us hear on this point as promptly as possible.

Yours very truly,

SPENCER KELLOGG & SONS, INC.
(Signed) S. C. MURRAY,
Linseed Oil Department.

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665 [Copy.]

Market Letter #289—Flaxseed Crushing Industry—February 26, 1919.

REPORTED SALE TO CONTINENTAL OIL CO., DENVER, COLO.

All subscribers please reply:

The bureau requests a full report from each of the council members whether or not they have made the sale referred to in the following letter:

NEW YORK, *Feb. 24, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Will you kindly bulletin the subscribers with reference to a purchase made by the Continental Oil Co., Denver, Colo., on February 21st? We quote our regular published price, f. o. b. St. Paul, and they state that they bought from some manufacturer who was 3 or 4¢ under our quotation. We would like to know if any of the council members made a sale to them at that time and at what price.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager Oil Sales Dept.

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666 [Copy.]

Market letter #298—Flaxseed-crushing industry—March 1, 1919.

COMPILATION REPORT—MARKET LETTER #282—INQUIRY REGARDING QUOTATIONS TO C. R. COOK PAINT COMPANY, KANSAS CITY.

The file of replies on the above has been completed today, nine subscribers stating in effect that they have neither quoted nor sold the C. R. Cook Paint Company. Three additional replies are published below:

Ankeney Linseed Mfg. Co. (2/25/19):

"We have not quoted C. R. Cook & Co., at Kansas City, a price on oil, either in tank cars or in barrels, as late as Feb. 17th. Neither

have we made any late sales to the Cook Company. The price in barrels they claim was made to them sounds somewhat like an agency proposition.

"Our personal experience with Mr. Cook is that you can not always take seriously what he says on such matters."

Midland Linseed Products Co. (2/25/19):

"The C. R. Cook Paint Company, of Kansas City, called us on the telephone about February 17th and made us a bid of $1.40, raw basis, in cooperage, for 500 barrels of linseed oil.

"We declined this bid and quoted them $1.43, raw basis, in cooperage, direct shipment. We did not secure the order. They claimed to have had a lower price than $1.43, in cooperage, direct shipment, and we think it probable that the Fredonia Linseed Oil Works may have quoted the lower price."

Spencer Kellogg and Sons, Inc. (2/26/19):

"We quoted C. R. Cook Paint Co., of Kansas City, on February 17th our filed price on 100 barrels for Feb./Apr. delivery.

"They claimed to our representative at Kansas City that they had an offer on Midland resale oil at $1.40, basis raw, in barrels, either direct shipment or warehouse delivery. They made us an offer on this basis, which we declined to accept. We have not been able to ascertain if they bought on the date mentioned or not."

NOTE BY THE BUREAU.—The price quoted by the American Linseed Company on the above transaction was $1.44, cooperage, direct shipment, car lots; $1.38 in tank cars.

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667 [Copy.]

Market Letter #299—Flaxseed Crushing Industry—March 1, 1919.

REPORTED SALE TO STANDARD OIL CO. BY SUBSCRIBER #6.

Midland Linseed Products Co. please reply.

NEW YORK, *Feb. 26, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We would like to ask subscriber #6 for the details of sale made February 19th of 60,000 gallons bulk oil to the Standard Oil Co. They report this as being sold at $1.39 prompt, direct shipment. We would like to know what allowances, if any, were made for delivery, as we understand that the buyer takes delivery in its own tank boat. We quoted on this $1.39 bulk, f. o. b. their dock, Long Island City, with an allowance of the regular lighterage charge if taken in their own lighter instead of our own.

Yours very truly,

AMERICAN LINSEED COMPANY,

(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

668 [Copy.]

Market Letter #300—Flaxseed Crushing Industry—March 1, 1919.

REPORTED QUOTATION IN ZONE THREE BY SUBSCRIBER NO. 12.

Spencer Kellogg & Sons (Inc.) please reply.

NEW YORK, *February 27, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We are informed that council member No. 12 quoted to the A. C. Horn Company, of Long Island City, on or about February 4th price of $1.44 per gallon on carload of raw linseed oil in cooperage for delivery during April, 1919.

We respectfully request the bureau to make inquiry of council member No. 12 as to the facts that may be stated by the latter.

Yours very truly,

NATIONAL LEAD COMPANY,
(Signed) C. T. NOLAN,
Manager.

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669 [Copy.]

Market Letter #301—Flaxseed Crushing Industry—March 1, 1919.

REPLY TO MARKET LETTER #286—INQUIRY REGARDING PRICE LISTED IN ZONE THREE BY SUBSCRIBER #1.

(Daily sales report #114.)

NEW YORK, *February 27, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In reply to market letter No. 286, the sale of 300 bbls. in zone No. 3 at $1.43, raw basis, was for export, and it was our error in not showing same on our daily sales report No. 114 in reporting. In the future in making export sales we will show that same are for export.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) W. F. PLATT, Jr.,
Oil Sales Dept.

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670 [Copy.]

Market letter #305—Flaxseed crushing industry—March 3, 1919.

COMPILATION—MARKET LETTER #271—REPORTED QUOTATION TO STUDEBAKER CORPORATION, OF SOUTH BEND, IND.

The file of replies on the above has just been completed, seven subscribers stating in effect that they have not recently quoted the Studebaker Corporation.

It is evident from the five expressions published below that the inquiring council member is correct in his suggestion that the sale was made outside our group of subscribers:

American Linseed Company (Feb. 21, 1919):

"We have not placed any business with the Studebaker Corporation recently, although we did quote them on a tank car at $1.38, freight allowed."

Archer Daniels Linseed Company (Feb. 20, 1919):

"We quoted the Studebaker Corporation, South Bend, Ind., on Feb. 8th, a corload of oil at our full published price, but did not receive the order."

William O. Goodrich Company (Feb. 20, 1919):

"On Feb. 7th we quoted the Studebaker Company $1.38 per gallon f. o. b. Milwaukee, freight allowed, on one tank car raw oil to South Bend, but did not get the business. They did not, however, advise us that they were quoted a better price than the one named by us."

Hirst & Begley Linseed Works (Feb. 20, 1919):

"We also quoted the Studebaker Corporation at $1.38, freight allowed, regular terms, but did not get the business."

Midland Linseed Products Co. (Feb. 20, 1919):

"We quoted the Studebaker Corporation, at South Bend, Indiana, on February 28th* a price of $1.38, raw basis, in tank cars, delivered at South Bend.

"This was our published price in zone two on the date named. We did not secure the order."

*The bureau understands this to be a typographical error, intended for February 8th. Will subscriber #6 please confirm?

671

[Copy.]

Market letter No. 306—Flaxseed crushing industry—March 4th, 1919.

[Excerpt from minutes of February 28th meeting.]

13. The secretary read to the meeting a letter from the Fredonia Linseed Oil Works Company, together with his reply thereto.

* * * * * * *

FREDONIA, KANSAS, *Feb. 3, 1919.*

The ARMSTRONG BUREAU,
Chicago.

GENTLEMEN: Considerable sickness, combined with a period in a hospital and a major operation, have prevented me from giving my office as close attention this winter as usual and have been responsible for the delay in answering your various recent favors relative to the organization of linseed crushers.

When this matter was first brought to our attention our country was still at war with Germany and business in all lines was being subjected to Government regulation and restriction. We were under

the impression that the organization of the linseed industry was being made, if not at the request of Government, at least with their consent and in harmony with their wishes. We were desirous of cooperating in any possible way to help win the war and to assist in arriving at any plan of closer harmony among linseed crushers that would remove, as far as possible, any obstacles in the way of the continuous profitable operation of the linseed-crushing industry. We felt, moreover, that the very unusual conditions existing at that time probably called for the closest cooperation.

However, the war is now over, and in a short time we will find ourselves operating under pre-war conditions, and it occurs to us that cooperative organizations that were a national necessity during the war may in the very near future find themselves frowned upon by Government officials. For instance, our legislature is in session in Kansas now, and a newly elected governor is securing the passage of the most drastic legislation giving the attorney general, and even local county attorneys, exemplary powers in the "regulation" of commercial enterprises. We look for the passage and enforcement of such legislation not only by the States but by Congress.

Also, our little business down here is such a small factor that it would not be possible for us to contribute anything to the successful operation of the organization. We are so isolated in location that it would be physically impossible for us to be represented at the monthly meetings, and thus, as I see it, the major benefits of the organization would be lost to us.

Our problems are purely local; we neither import seed nor export cake or oil. Our business is in the nature of a community organization. Our requirements of seed are small and we buy direct from the farmer, and our sales are largely to the retail dealers in Kansas. Even in the operation of our plant we are confronted by purely local conditions, none of which approximate the conditions under which the plants in larger cities are operated.

672 In the past I believe we have enjoyed the confidence of the other crushers with whom we have come in contact. It has been our desire at all times to pursue a policy that would justify such a feeling on their part.

We have the kindest feelings for the organization, we wish the organization success in its efforts to eliminate the destructive influences of unrestricted competition, and in the absence of the conditions outlined above we would heartily welcome an opportunity to join you. In view of these conditions, however, we have decided not to become a member, and we return herewith the contract you sent us some time ago. We thank you for the opportunity, and we will cooperate in the rare instances the opportunity presents to accomplish the legal purposes of the organization just as heartily as though we were members.

Yours very sincerely,

THE FREDONIA LINSEED OIL WORKS CO.

(Signed) S. H. WILEY, *President.*

FEBRUARY 11, 1919.

From: Julian Armstrong, Armstrong Bureau of Related Industries.
To: Mr. S. H. Wiley, Fredonia Linseed Oil Works Co., Fredonia, Kansas.
Subject: Your letter of February 3d.

1. I have your letter of the 3d, Mr. Wiley, returning the service contracts, together with your reasons for not joining this cooperative work at the present time.

2. I appreciate the position of your company, so far as its geographical location is concerned, together with your rather localized trade, and on those points I am inclined to agree with you as a possible basis for your staying out of this work.

3. I must, however, take issue with you on one point which you raise in your letter, which is covered by your first and second paragraphs.

4. On the first point I unhesitatingly state that the reconstruction problems of all of our industries are greater, if anything, than our war problems, and it has been thoroughly demonstrated to my satisfaction that these problems of reconstruction can only be satisfactorily worked out by cooperative action on a lawful business basis.

5. Second: The other point that you raise in your third paragraph that business must now be watchful of adverse legislation indicates quite clearly that only through cooperation and concerted action can we present the problems of the industry in an unselfish and substantial manner, so that the drafters of such legislation may be intelligently guided by the business men of this country. Certainly we can expect nothing from single-handed action against such legislation.

6. These are two points which I desire to place before you for your consideration, but not in an endeavor to persuade you to come into this work before you are thoroughly convinced by your own analysis of the desirability of so enrolling yourself.

7. In behalf of the subscribers and the bureau, I am sure we appreciate your kindly feelings towards the work, and I will so convey your expressions to our council members at our next meeting.

(Signed) JULIAN ARMSTRONG.

673

[Copy.]

FLAXSEED-CRUSHING INDUSTRY.

[Excerpts from minutes of meetings.]

Market Letter No. 306 (Feb. 28, 1919):

11. Round table: The roll was then called and each member subjected himself to any questions on past and closed transactions, and this order of business was gone through with no questions being asked which did not meet with full explanation.

Market Letter No. 370 (March 26, 1919):

4. Under this order of business the roll was called, and each member subjected himself to any questions on past and closed transactions, and as usual this order of business fully demonstrated its value.

Market Letter No. 1330 (March 10, 1920):

6. The roll-call feature under this order of business was instituted and partially gone through with, but as it was evident to the meeting that no one had any specific questions to ask of any other council member regarding past and closed transactions, the question was asked as to whether this roll call was necessary at this meeting with the answer in the negative.

Market Letter No. 1366 (April 13, 1920):

6. Upon question from the secretary as to whether or not the roll call under this order of business should be gone through with, it was the sense of the meeting that this order could be dispensed with. The secretary then advised that any matters of general interest, not docketed, which would fit in under this order of business might be brought up by the council members.

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674 [Copy.]

Market Letter #309—Flaxseed Crushing Industry—March 4, 1919.

REPLY TO MARKET LETTER #299—REPORTED SALE TO STANDARD OIL CO. BY SUBSCRIBER #6.

MINNEAPOLIS, MINN., *March 3, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Replying to your market letter #299, we sold the 60,000 gallons of linseed oil in bulk to the Standard Oil Company at a price of $1.39 delivered Long Island City.

If delivery is made in the tank boats of the Standard Oil Company, an allowance of 7¢ per hundred pounds will be made for the use of the tank boat and the cost of delivering the same from Edgewater to Long Island City.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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675 [Copy.]

Market Letter No. 311—Flaxseed-Crushing Industry—March 5, 1919.

REPORTED SALE TO ROBERTSON PAINT & VARNISH CO. AND THE WHITMAN MFG. CO., CLEVELAND, OHIO.

All subscribers please reply.

In replying through the bureau to the following letter from Subscriber #1, will council members please note that there are two separate transactions in question and report fully on each?

NEW YORK, *March 3, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On February 25th, we quoted the Robertson Paint & Varnish Co., of Cleveland, on 10 barrels of oil at $1.47 and were advised that they had bought at a considerably lower price than this. We did not learn from whom the purchase was made, but would like to have you bulletin the council members, with special reference to the Sherwin-Williams Co. as to whether or not they made sale to this concern on the date mentioned or thereabouts, and at what price. A similar experience was had the next day with the Whitman Mfg. Co. at Cleveland, and we wish the subscribers would answer as to this concern also.

Yours very truly,

AMERICAN LINSEED COMPANY.
(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

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676 [Copy.]

Market Letter No. 312—Flaxseed-Crushing Industry—March 5, 1919.

ANOTHER INQUIRY REGARDING PRICE LISTED IN ZONE THREE BY SUBSCRIBER #1.

(Daily Sales Report #118.)

American Linseed Company please reply:

BUFFALO, N. Y., *March 4, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Linseed oil:

GENTLEMEN: On daily sales report No. 118, being a report of the sales made by council members on Feb. 25th, we note one sale made by subscriber No. 1 of 90 barrels of raw linseed oil, Zone 3 delivery, at $1.43, raw basis, direct shipment, prompt. This being 2¢ under their filed price, we would like to ask if the sale was actually made at this basis, or if it was for export shipment with the drawback for their account. It is our understanding that all export sales were to be so reported, which leads us to believe that this was not for export.

Kindly bulletin the subscriber mentioned and let us have a reply as promptly as possible.

Yours truly,

SPENCER KELLOGG AND SONS, INC.
(Signed) S. C. MURRAY,
Linseed Oil Dept.

677 [Copy.]

Market Letter No. 313—Flaxseed-Crushing Industry—March 5, 1919.

REPLIES TO MARKET LETTER #289—REPORTED SALE TO CONTINENTAL OIL CO., DENVER, COLO.

In the file of replies on the above, completed to-day, nine subscribers state in effect that they have neither quoted nor sold. From the three additional replies published below it is evident that the sale was made outside of our group of subscribers:

Archer-Daniels Linseed Company (2/27/19):

"We quoted the Continental Oil Company on February 21st our order. It is our impression that this order went to the Fredonia Linseed Oil Company. We quoted these people at our last published market quotation."

Midland Linseed Products Co. (2/27/19):

"We quoted the Continental Oil Company on February 21st, our published price of that date. We were advised by the buyer that a lower price was accepted from another crusher and we believe that the sale was made by the Fredonia Linseed Oil Works."

Northern Linseed Oil Co. (2/28/19):

"We had correspondence with the Continental Oil Company, of Denver, recently, and they advised that they would be unable to place any business with us owing to the fact that our tank-car equipment is of a larger capacity than they could conveniently handle, and we therefore did not receive the inquiry of February 21, neither did we quote them."

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678 [Copy.]

Market letter No. 315—Flaxseed-crushing industry—March 6, 1919.

REPORTED CONCESSION TO THE HANSEN PAINT & GLASS CO., SIOUX CITY, IA.

All subscribers please reply:

NEW YORK, *March 4, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: The Hansen Paint & Glass Co., of Sioux City, Iowa, under date of February 22d, write us a letter signed by Mr. E. C. Currier, manager, in which he states:

"We are offered from two different sources linseed oil on consignment. In consideration of our storing this in our warehouse, we are in position to take this out on the carload basis price*, having the oil invoiced to us on the dates of our taking it out of stock. This will enable us, if we desire, to purchase the entire lot we have on consignment if we feel the price is going to advance, or, in the event of our not desiring to do this, we can take it at the carlot market price as

used. We are writing to inquire if you would be in position to handle this on the same basis."

We wish you would bulletin the subscribers with a view of getting a report from them as to whether any of them have offered the above concern this kind of a deal. If so, our position is that it would be silly, in a town where we have a producing mill, to allow competitors to make this sort of an arrangement with jobbers and not be able ourselves, under the strict construction of our terms, to give them the same facility simply because our terms now read that 3¢ additional per gallon shall be charged for delivery to trucks or drays at mills or warehouse.

We are prepared to extend our old-time facilities to these jobbers, if any of the subscribers are willing to make the sort of a proposition which he outlines.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

(*) The above reference to "the carload basis price" so apparently refers to the price of the "two different sources" to which the Hansen Paint & Glass Co. refer, that the bureau is passing this expression under that supposition, although all subscribers recognize that there is no price that might be considered "the price."

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679 [Copy.]

Market Letter #317—Flaxseed Crushing Industry—March 7, 1919.

REPLY TO MARKET LETTER #300—REPORTED QUOTATION IN ZONE THREE BY SUBSCRIBER NO. 12.

* * * * * * *

BUFFALO, N. Y., *March 8, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Replying to Market Letter #300, regarding a supposed quotation we had made to A. C. Horn Co., of Long Island City, on or about Feb. 4th at $1.44 raw basis, direct shipment, we have received a reply from our New York representative who states he did not quote these people any other price than our regular filed price at the time, which was $1.45 raw basis, direct shipment.

He has recollection of having seen quotations issued by Mann Bros. Linseed Co., of Buffalo, on or about that date at $1.44, so it is possible that the A. C. Horn Co. had these people in mind when they made their report to the National Lead Co., rather than ourselves. We have at no time deviated from our filed price list.

Yours very truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) S. C. MURRAY,
Linseed Oil Dept.

680 [Copy.]

Market Letter #320—Flaxseed Crushing Industry—March 8, 1919.

INQUIRY REGARDING PRICES QUOTED IN WASHINGTON, D. C.

Subscribers #3 and #8 please reply:

* * * * * * *

BUFFALO, N. Y., *March 7, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES.
Chicago.

GENTLEMEN: We are informed by our Baltimore representative that subscribers Nos. 3 and 8 are selling oil in Washington, D. C., on the freight allowed basis from Baltimore at the same price they are willing to sell f. o. b. Baltimore; or, in other words, making no extra charge for freight. Subscriber #1 and ourselves have been operating on identically the same basis—that is, adding sufficient to our Baltimore prices to offset the freight. We would like to have you bulletin the two subscribers, above mentioned, and ask if this is not contrary to their filed price list.

Very truly yours,

SPENCER KELLOGG & SONS, INC.,
(Signed) S. C. MURRAY,
Linseed Oil Dept.

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681 [Copy.]

Market letter #326—Flaxseed crushing industry—March 10, 1919.

INQUIRY REGARDING QUOTATION TO BIRD & SON, E. WALPOLE, MASS.

Subscriber #1 please reply:

BUFFALO, N. Y., *March 8, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On February 25th we quoted Bird & Son, E. Walpole, Mass., on 20,000 gallons of our aged linseed oil, which oil takes a premium of 2¢ over the raw basis. Our price at that time was $1.39 basis raw in tank cars or $1.41 for aged oil, and these people immediately made us an offer on the 20,000 gallons of aged oil at the raw price, which of course we naturally declined. A little later in the day, upon following the inquiry up, we were informed that our price was too high, and that they had a better figure on a brand of oil known as Special A, which we believe is made by the American Linseed people. Will you, therefore, kindly bulletin Subscriber #1 and as certain if they made the sale, and if so at what price?

Very truly yours,

SPENCER KELLOGG & SONS, INC.,
(Signed) S. C. MURRAY,
Linseed Oil Dept.

682 [Copy.]

Market letter #327—Flaxseed crushing industry—March 10, 1919.

REPORTED SALE TO O'BANNON CORPORATION.

All subscribers please reply:

A full and prompt expression through the bureau is requested from all council members on the transaction reported below:

BUFFALO, N. Y., *March 8, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Linseed oil:

GENTLEMEN: On the 6th we quoted the O'Bannon Corp., on a tank car of our aged oil, premium 2¢ over the raw basis, for shipment to their Taunton Oil Cloth Plant at Taunton, Mass. As soon as we advanced our price, which advance reached our Boston representative about noon on the 6th, he immediately got in touch with these people and revised his quotation to the basis of our new filed price. They then stated that we were out of the running, for they had been made an offer by a competitor on an oil of similar quality with the option good until three thirty p. m. on the afternoon of the 6th. We understand that the order was placed with this competitor at this time after their price had advanced. Will you kindly bulletin the various members of the council with a view of getting the exact facts in the case?

Very truly yours,

SPENCER KELLOGG & SONS, INC.,
(Signed) S. C. MURRAY,
Linseed Oil Dept.

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683 [Copy.]

Market Letter #329—Flaxseed Crushing Industry—March 11, 1919.

REOPENING THE SUBJECT OF MARKET LETTER #299—REPORTED SALE TO STANDARD OIL CO. BY SUBSCRIBER #6.

(See also market letter #309.)

Midland Linseed Products Co. please reply:

BUFFALO, N. Y., *March 10, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Market letter #309:

GENTLEMEN: We note from same, which is in reply to market letter #299, that the sale in question was made on the understanding that if delivery is made in the tank boats of the Standard Oil Company an allowance of 7¢ per hundred pounds will be made for the use of the tank boat and the cost of delivering the same from Edgewater to Long Island City. Are we to understand from the word-

ing of the above that the allowance of 7¢ per hundred pounds is in addition to the cost of delivering the same from Edgewater to Long Island City? Our reason for asking is that the freight involved amounts to 10½¢ per hundred pounds, and inasmuch as this particular inquiry, as it was submitted to us anyway, was that we would allow them the regular rate of freight that it would cost us if we shipped by rail, to apply for the use of their boat, we naturally wonder if the 7¢ per hundred allowance referred to is additional.

Please bulletin subscriber #6, as we are anxious to ascertain full details concerning the terms on which the transaction was booked.

Yours very truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager.

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684 [Copy.]

Market Letter #330—Flaxseed Crushing Industry—March 12, 1919.

REPORTED SALE TO STRESEN-REUTER & HANCOCK FOR ADAMS & ELTING CO.

All subscribers please reply:

MINNEAPOLIS, MINN., *Mar. 11, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Will you kindly bulletin the council members and ask if any one of them made a sale to Adams & Elting Co., Chicago, of a carload of linseed oil on or about March 8th?

We have a letter from Stresen-Reuter & Hancock, Chicago, advising that they sold Adams & Elting Co. a carload of linseed oil in cooperage at eight cents under our price of $1.48 raw, and they make the statement the oil was purchased by them from another crusher.

Yours very truly,

NORTHERN LINSEED OIL CO.,
(Signed) L. M. LEFFINGWELL, *President.*

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685 [Copy.]

Market Letter #332—Flaxseed Crushing Industry—March 13, 1919.

MORE ON THE SUBJECT OF PRICES QUOTED IN WASHINGTON AND DISREGARD OF TRADE ACCEPTANCES.

(See market letter #320.)

Subscribers #3, 6, and 8 please reply:

NEW YORK, *March 11, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Our Baltimore representative under date of March 3rd makes the following statement:

"I have been advised that Midland's representative has also been quoting f. o. b. Washington at the same price as Baltimore and that J. T. Lewis and Bro., Phila., Pa., which is the style of the National Lead Co. and A. L. Webb & Sons, Baltimore, representing the Archer-Daniels Company, claim to be paying no attention to the Trade Acceptance feature of the Linseed Terms."

Yours very truly,

(Signed) AMERICAN LINSEED COMPANY,
F. K. QUINE,
Manager, Oil Sales Dept.

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686 [Copy.]

Market Letter #333—Flaxseed Crushing Industry—March 13, 1919.

REPORTED CONCESSION IN ALBANY MARKET BY SUBSCRIBER #1.

The following telegraphic communications will be of interest to all subscribers:

BUFFALO, N. Y., *Mar. 13, 1919.*
Received 2.35 p. m.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Have reliable information American meeting Kellogg and Miller competition in Albany, New York, market at dollar fifty-two raw small lots from warehouse. Please ascertain if this is correct, answering to-day's wire.

SPENCER KELLOGG AND SONS, INC.

CHICAGO, *March 13, 1919—2.45 p. m.*

AMERICAN LINSEED CO.,
Woolworth Bldg., New York, N. Y.

Kelwire informed you are meeting Kelloggs & Miller Albany competition at doldan raw small lots from warehouse. Wire to-day.

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

NEW YORK, *March 13, 1919.*
Received 4.25 p. m.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Our published price Albany dollar fifty-three, warehouse delivery not selling under this.

AMERICAN LINSEED CO.

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687 [Copy.]

Market letter #335—Flaxseed crushing industry—March 14, 1919.

SUPPLEMENTARY TO MARKET LETTER #333—REPORTED CONCESSION IN ALBANY MARKET BY SUBSCRIBER #1.

American Linseed Company please reply.

The bureau is just in receipt of the following from Spencer Kellogg & Sons, Inc., and since a specific case is mentioned, where sub-

sciber #1 is reported to have deviated from his filed price list without notification to the bureau (as provided in the service contract), we deem it advisable to give the subscriber in question an opportunity to investigate the matter more definitely and report fully through the bureau:

BUFFALO, N. Y., *March 13, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Our Albany, N. Y., representative advises by wire to-day that Kelloggs & Miller, of Amsterdam (not subscribers to the bureau service), are sending out card quotations at $1.52 for either l. c. l. direct shipments prepaid to adjacent points or Albany warehouse delivery, and that the American Linseed Company are positively meeting this competition and, he further claims, actually sold at $1.52 yesterday to Walker & Gibson, of Albany, 5 barrels for immediate warehouse delivery, notwithstanding the fact that we wired him late yesterday afternoon in reply to a similar message that we have reliable information that the American are not selling under $1.53 for warehouse delivery in the Albany market or zone #3. Consequently, we wired this information to you, with the request that you please ascertain by bulletining the subscriber referred to whether or not our information is correct.

Your usual prompt attention will be appreciated, as we are very anxious to set our Albany representative right in the matter in the event that he has been misinformed.

Yours very truly,

SPENCER KELLOGG & SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager.

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688 [Copy.]

Market letter #336—Flaxseed crushing industry—March 15, 1919.

REPLIES TO MARKET LETTER #311—REPORTED SALE TO ROBERTSON PAINT & VARNISH CO. AND THE WHITMAN MFG. CO., CLEVELAND, O.

The file of replies to-day completed on the above indicates that ten subscribers neither quoted nor sold in the above transaction.

From the two additional replies published below it is evident that the reported sale was made outside our group of subscribers:

MINNEAPOLIS, MINN., *March 8, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In reply to your market letter 311, we did not sell the Robertson Paint Co. or the Whitman Mfg. Co., of Cleveland, nor

have we heard of anybody quoting a price less than our published quotation in that city.

Very truly yours,

ARCHER DANIELS LINSEED CO.

BUFFALO, N. Y., *March 7, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Replying to market letter #311, this is to advise that we did not sell the Robertson Paint & Varnish Co. or the Whitman Mfg. Co., of Cleveland, on or about Feb. 25th. We did sell the former about a week previous to the date mentioned, at our regular file price of $1.47 raw basis, warehouse delivery.

Very truly yours,

SPENCER KELLOGG & SONS, INC.,
(Signed) V. H. HUNTER,
Linseed Oil Dept.

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689 [Copy.]

Market Letter #337—Flaxseed Crushing Industry—March 15, 1919.

MORE ON THE SUBJECT OF MARKET LETTER #335—SUPPLEMENTARY TO MARKET LETTER #333—REPORTED CONCESSION IN ALBANY MARKET BY SUBSCRIBER #1.

American Linseed Company please reply:

In replying to the market letter above referred to will subscriber #1 please consider carefully the facts given below?

BUFFALO, N. Y., *March 14, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Yesterday afternoon our Albany, N. Y., representative wired as having reliable information that subscriber #1 sold Gibson-Snow Co., Inc., 5 barrels of raw linseed oil at $1.52 Albany warehouse, delivery on the 12th. We wired this immediately to you and now have your telegram of yesterday reporting that the American wires their published price at Albany $1.53 warehouse delivery, and are not selling under this.

We now have a letter from our representative stating that the buyer for Gibson-Snow Co., Inc., Mr. Evans, reports that he made this purchase under $1.53, also that he knows for a positive fact that the warehouse did deliver 5 barrels from the American stock on the day in question.

Will you please bulletin this in the usual way as we are anxious to ascertain whether or not a consignment arrangement still exists between the subscriber and the customer in question, whereby it

would be possible for the customer to get an allowance of any kin
that would make it possible for them to consider the purchase pric
of these 5 barrels at anything under the $1.53 price as published b
said subscribers.

We are equally anxious to set our Albany representative right o
the matter in the event that he has been misinformed.

Yours very truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager.

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690 [Copy.]

Market letter #339—Flaxseed crushing industry—March 17, 191

REPLY TO MARKET LETTER #329—REOPENING THE SUBJECT OF MARKE
LETTER #299—REPORTED SALE TO STANDARD OIL COMPANY BY SUB
SCRIBER #6.

(See also market letter #309.)

MINNEAPOLIS, MINN., *March 14, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We acknowledge receipt of your market letter #32
in reference to our sale to the Standard Oil Company.

When this sale was made we assumed that the allowance for th
use of the tank boat would be 7¢ per hundred pounds, which i
the amount that we have allowed the Standard Oil Company i
the past.

After communicating with our New York office, we find that th
allowance which was actually granted was the freight rate from
Edgewater to Long Island City, which we are informed by our New
York office is 15½¢ per hundred pounds.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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691 [Copy.]

Market letter No. 340—Flaxseed crushing industry—March 17, 1919

REPLY TO MARKET LETTER #326—INQUIRY REGARDING QUOTATION T
BIRD & SON, E. WALPOLE, MASS.

NEW YORK, *March 14, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In reply to market letter #326. We quoted Bird &
Son, E. Walpole, Mass., on February 25th, at $1.39, basis raw, i

tanks, plus 2¢ additional for Special "A," but were informed by the buyer that he had other quotations, and that one seller advised him that it was possible that he could get a lower figure and named him a price which he had given him one week previous. Later in the evening of that same day he stated that although he did not get a lower price than that which we named him he gave the business to the seller who had first named him the same price, further stating that all prices he had received were the same.

Our manager in Boston thinks that subscriber #12 must have misconstrued Bird & Son's meaning.

Yours very truly,

AMERICAN LINSEED COMPANY.
(Signed) F. K. QUINE,
Manager Oil Sales Dept.

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692 [Copy.]

(Subdiv. 12, Art. V.)

Market letter No. 341—Flaxseed crushing industry—March 17, 1919.

COMPILATION REPORT—MARKET LETTER #302—EXPERIENCE OF COUNCIL MEMBERS WITH TRADE ACCEPTANCES.

American Linseed Company (3/11/19):

"So far as we are concerned, we have been treating the return of an aceptance immediately, just we would treat the payment of a bill which was due. The representative of subscriber #12, who was present at the meeting, said that they also expected to follow this method, although not having information as to the attitude of the various council members they had perhaps not been pushing it as hard as they thought it ought to be pushed. From our information we should judge that, with the exception of ourselves, the other members are treating the return of acceptance in a rather lukewarm manner.

"We have noticed that subscriber #12 in sending out his trade acceptances does not even fill in on them the amount of the invoice—simply dates them, puts on the customer's name, and, so far as we are informed, does not especially call attention by correspondence to the buyer for the quick return of the acceptance. I wrote you this morning with reference to the attitude of the National Lead Co. and Archer-Daniels' representative in Baltimore on this question. We think that one thing or the other should be done—either it should be treated as a mere matter of form or else our credit department should press for the return of the acceptance promptly.

"In our opinion the noninsistence on the prompt return of the acceptance amounts practically to an advantage in selling, and to all intents and purposes is a cut in the published price of any council member."

Ankeney Linseed Mfg. Co. (3/11/19):

"We have not as yet put the trade acceptance into practice. Practically all of our sales are confined to the jobbing trade, and, whom we are glad to say, discount their bills. Our customers who do not discount their bills are a very small part of our trade indeed, and we see that they pay up promptly in 30 days."

Archer-Daniels Linseed Company (3/4/19):

"We send out trade acceptances with every invoice and are bearing down hard trying to enforce the rule of either cash in ten days or trade acceptance. We find that we are getting quite a large percentage, altho some people are slow in signing them. We think it is going to be a matter of education, and sooner or later we will force all of the trade to either take cash discount or send us trade acceptance. We are using every effort possible along this line, and believe it is a wise thing for all the crushers to insist on trade acceptances. This is a great deal more satisfactory, and it makes the ordinary purchaser pay for his oil promptly in thirty days where under the old method they sometimes took forty, fifty, or even sixty days."

693 William O. Goodrich Company (3/11/19):

"We have been practically out of the market since making our terms on linseed oil 1% for cash within ten days of shipment or thirty days' trade acceptance net, but what few sales we have made have gone to customers who take the 1% discount. Consequently, we have really had no experience with trade acceptances, but we are anticipating no objection to them on the part of buyers."

Hirst & Begley Linseed Company (3/3/19):

"We were under the impression that all of the council members were using the trade acceptance regularly.

"We attach our trade acceptance to our invoice, and enclose a letter requesting the customer to sign, attach the necessary revenue stamps, and return in the event they wish to avail themselves of the 30-day period. If they prefer to discount, we request that they return the acceptance unsigned, so we can complete our records. At the end of ten days, if we have not heard from them, we write them again, and so far we have had no difficulty. We might add that the first time we send an acceptance to a customer, we also enclose a copy of 'The Trade Acceptance,' a leaflet published by the Credit Men's Association which briefly explains the purpose of the acceptance.

"We have had several instances the past few weeks of customers of the 30-day class, rather than sign the acceptance, have discounted. If the acceptance can be the means of bringing some of the slow-pay trade to a discounting basis, we will consider the acceptance a winner."

Midland Linseed Products Company (3/4/19):

"With all of our invoices for linseed oil we mail trade acceptances to the buyer, with instructions to return the trade acceptances in the event that the cash discount is not taken.

"On the 13th and 20th days after the date of the invoices we mail follow-up letters asking the return of the trade acceptances.

On the 30th day after the date of the invoice we inform the buyer that if not paid by return mail we will make sight draft. Sight draft is made in the event that a remittance is not received immediately.

"The system has not been in effect a sufficient length of time to properly try it out. Thus far a very large percentage of our customers have failed to return the trade acceptance."

Minnesota Linseed Oil Company (3/7/19):

"We have adhered to terms on oil, 30 days or 1% in ten days, but have not adopted trade acceptances."

National Lead Company (3/15/19):

"Our company has repeatedly informed council members that we do not use trade acceptances, and likewise have declared on more than one occasion our purpose not to do so."

Northern Linseed Oil Company (3/3/19):

"While we have always quoted 1% ten days from date of shipment or thirty-day net trade acceptance, up to the present time we have not been obliged to take an acceptance in payment of an invoice, as our customers have all discounted in the ten days."

694 Red Wing Linseed Oil Company (3/4/19):

"All of our quotations are made subject to terms of 1% 10 days or 30 days net trade acceptance. We find, however, we have not been able to make the trade-acceptance feature fully operative as yet, but have arranged for a supply of acceptances and within a very short time this plan will be fully operative. However, we feel safe in saying that 90% of our business has been thru channels where customers discount the invoices."

The Sherwin-Williams Company (31/3/19):

"Inasmuch as we do not make shipments to concerns other than our own factories, we have had no experiences asking for trade acceptances."

The Toledo Seed & Oil Company (3/3/19):

"We have been having more or less trouble in securing the signed trade acceptance back from the customer. We believe that there is very little that can be done to insure the prompt return outside of appealing to the customer direct, explaining thoroughly how the trade acceptance would be handled.

"We really believe that a discussion on this at the next meeting should be held."

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695 [Copy.]

Market letter No. 342—Flaxseed crushing industry—March 17, 1919.

REPLIES TO MARKET LETTER #315—REPORTED CONCESSION TO THE HANSEN PAINT & GLASS CO., SIOUX CITY, IOWA.

In the file of replies on the above, completed this day, eleven subscribers state in effect that they have no such arrangement with the company in question.

We publish below a letter from the Midland Linseed Products Co., who evidently have the contract referred to, and also two other replies which contain suggestions of interest to all subscribers.

The subject will be docketed for discussion at the next meeting, as suggested.

Ankeney Linseed Mfg. Co. (3/7/19):

"We have made no such proposition to the Sioux City house, nor would we think of doing so, although we have a very intimate personal acquaintance with Mr. Currier, manager of the concern mentioned.

"We agree fully with the remarks made by the American Co. about permitting other mills to come in to a town where there is a producing mill, and permit them to secure the business on a better proposition than the producing mill could make them under the strict construction of our terms.

"We expect to protect our trade with our city jobbers by an offer just as good as any made by an outside mill. We trust that we will not be compelled to secure less than our warehouse price from our city jobbing trade, where such trade prefer to have their purchases delivered to them, as they want the oil rather than a full car load at one delivery."

Midland Linseed Products Co. (3/7/19):

"We have for many months had an agency contract with the Hansen Paint & Glass Co., of Sioux City, Iowa. Without doubt, under this contract, the Hansen Paint & Glass Co. are entitled to receive linseed oil in carload lots and obtain from us our carload price. No doubt the Hansen Paint & Glass Co. would like to persuade the American Linseed Company to deliver linseed oil to them from their Sioux City plant at their carload price, as in this way they would avoid drayage, receiving and storage expenses, and the payment for linseed oil lost by leakage, which they are obliged to stand under their contract with us.

"We do not understand why Subscriber No. 1 should complain because we sell one of our agents linseed oil, this agency being of long standing, under the conditions named. We note that you recently reported that Subscriber No. 1 had made a new agency contract a few days ago with Hibbard, Spencer, Bartlett & Co., of Chicago, one of the largest distributers in the country. Under this contract Subscriber No. 1 delivers linseed oil by team at an expense of 3¢ per gallon and gives the Hibbard, Spencer, Bartlett Co. a commission of $1.00 per barrel. This, in fact, is not a commission but a rebate in price, as Hibbard, Spencer, Bartlett & Co. perform no service whatever for this $1.00 per barrel, but derive their profit from the sale of this linseed oil to the country trade at prices 10¢ or 15¢ per gallon above the warehouse price of Subscriber No. 1.

696 "It is evident that this agency contract excludes this company from the business of one of the largest distributers in the United States. We do not mention this matter as a complaint, but we hope that subscriber No. 1 will view our long-established relations

with the Hansen Paint & Glass Co. in the same cooperative spirit that we view theirs with Hibbard, Spencer, Bartlett & Co."

Spencer Kellogg and Sons, Inc. (3/13/19):

"There is an important question raised here that should demand the careful consideration of all crushers, and we suggest that this subject be a matter of discussion at the next meeting of the council members. For instance, we have established a similar arrangement with the Liberty Oil Company, of Des Moines, Ia., although our proposition does not allow them to take any more than ten barrels on market advances. We cite this instance, as the circumstances are seemingly very similar, in that the Ankeney Linseed Company's mill is located at this point, just as the American have a mill at Sioux City."

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697 [Copy.]

Market letter No. 343—Flaxseed crushing industry—March 18, 1919.

REPLIES TO MARKET LETTER #330—REPORTED SALE TO STRESEN-REUTER & HANCOCK FOR ADAMS & ELTING CO.

In the file of replies just completed on the above, 10 subscribers state in effect that they have made neither quotation nor sale.

The replies of the remaining two subscribers are given below, although neither of them throw any real light on this transaction.

American Linseed Company (March 14, 1919):

"We did not sell the Adams & Elting Co. a carload of oil on March 8th, neither did we sell oil to Stresen-Reuter & Hancock.

"It is possible that these people purchased this oil from Canadian crushers."

Spencer Kellogg and Sons, Inc. (March 17, 1919):

"We sold the Adams & Elting Company, of Chicago, 100 barrels on the 6th, at $1.46 raw basis, in cooperage, March/June, inclusive, Chicago warehouse delivery.

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698 [Copy.]

Market Letter #344—Flaxseed Crushing Industry—March 19, 1919.

REPLY FROM AMERICAN LINSEED CO. TO MARKET LETTER #337—REPORTED CONCESSION IN ALBANY MARKET (SEE ALSO MARKET LETTERS #333 AND 335).

NEW YORK, *March 17, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In reply to market letter #337, we did sell and deliver 5 barrels of oil from our stock at Albany in a public ware-

house to the Gibson-Snow Co. and same was billed at $1.53, with no deductions. We have taken up with our Albany representative this question and have asked them to ask Mr. Evans where he gets his basis for advising competitors that our price is under $1.53, warehouse delivery.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager Oil Sales Dept.

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699 [Copy.]

Market letter #345—Flaxseed-crushing industry—March 19, 1919.

ADDITIONS TO LIST OF CLASS "A" AND "B" DISTRIBUTORS AND COMMISSION MEN FROM SUBSCRIBERS #1 & 12.

(See also market letters #91, 100, 113, 117, 131, 133, 136, 153, 160, 164, 166, 175, 179, 184, 185, 193, 195, 198, 202, 206, 209, 211, 212, 216, 220, 228, 232, 236, 251, 263, 265, 266, 267, 273, 277, 285, 291, 292, 296, 297, 308, 314, 316, 318, 321, 325, and 331.)

NEW YORK, *March 17, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Please be advised that we have made a consignment arrangement with W. P. Brewer, Birmingham, Alabama, which was in negotiation before the last meeting, we to allow him $1.00 a barrel to cover all charges for storage, drayage, and selling commission.

Yours very truly,

AMERICAN LINSEED COMPANY.
(Signed) F. K. QUINE,
Manager Oil Sales Dept.

BUFFALO, N. Y., *March 18, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Under date of Feb. 18th we entered into an agreement with Starkweather & Williams Co., Providence, R. I., for the handling of our linseed oil on a consignment basis. We inadvertently failed to call this matter to your attention, and it was not noticed until today that we had failed to do so.

These people are to receive 50¢ per barrel commission, which will cover all charges both in and out of warehouse.

Yours very truly,

SPENCER KELLOGG & CO., INC.

700 [Copy.]

Market letter #346—Flaxseed-crushing industry—March 19, 1919.

REPORTED QUOTATIONS BY SUBSCRIBER #2'S OMAHA BROKER.

Subscriber #2 please reply.

RED WING, MINN., *March 18, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Our distributors at Omaha advise us that they understand that the Omaha broker for the Ankeney Linseed Mfg. Company is quoting $1.48 per gallon, basis raw, in single barrel or five and ten barrel lots, delivered from warehouse.

Will you kindly bulletin subscriber #2 regarding this report?

Yours very truly,

RED WING LINSEED OIL COMPANY.
(Signed) H. G. NELSON, *Vice President.*

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701 [Copy.]

Market Letter #347—Flaxseed Crushing Industry—March 20, 1919.

ANOTHER CASE OF REPORTED CONCESSION IN ALBANY MARKET BY SUBSCRIBER #1.

(See market letters #337 & 344.)

American Linseed Company please reply.

If you have taken up this matter with Mr. Evans, as intimated in your reply published under market letter #344, you will no doubt be in position to give further facts for the benefit of all.

BUFFALO, N. Y., *March 19, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: With further reference to our letter of 14th and telegrams exchanged on the 13th, our Albany, N. Y., representative again advises by telegram to-day that the same customer (Gibson, Snow Co., Mr. Evans, buyer) purchased another five barrels of raw oil from the American representative to-day and claims to have procured same at a better price than that published by said subscriber.

Under the circumstances we anxiously await a report from the subscriber in question. Please give this matter your immediate attention.

Yours very truly,

SPENCER KELLOGG & SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager.

702 [Copy.]

Market letter #349—Flaxseed crushing industry—March 21, 1919.

COMMENT ON MARKET LETTER #342—REPORTED CONCESSION TO THE HANSEN PAINT & GLASS CO., SIOUX CITY, IA.

(See also market letter #315.)

NEW YORK, *March 19, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: With respect to criticism of the Midland Linseed Products Co. in market letter 342.

We are not complaining because our friends sell oil to the Hansen Paint & Glass Co. in Sioux City. We were only trying to check up the basis on which their arrangement was made with respect to price. The Hansen Paint & Glass Co. had made certain assertions respecting their ability to buy oil, and under our rule for selling cars and less than cars we could not meet the price which they asserted competitors had made them. As long as no deviation is being made from their published price by the Midland Company without notice we are perfectly satisfied.

With respect to their criticism on our arrangement with Hibbard, Spencer, Bartlett & Co., we contend that these people have performed a service which was outlined in our notice of their appointment as our agents in selling linseed oil throughout a territory which we do not solicit personally, and we take exception to their statement that the Hibbard Co. perform no service whatever for this Dollar a barrel.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager Oil Sales Dept.

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703 [Copy.]

Market Letter #350—Flaxseed Crushing Industry—March 21, 1919.

ADDITION TO LIST OF CLASS "A" AND "B" DISTRIBUTORS AND COMMISSION MEN FROM SUBSCRIBER NO. 1.

(See also market letters #91, 100, 113, 117, 131, 133, 136, 153, 160, 164, 166, 175, 179, 184, 185, 193, 195, 198, 202, 206, 209, 211, 212, 218, 220, 228, 232, 236, 251, 263, 265, 266, 267, 273, 277, 285, 291, 292, 296, 297, 308, 314, 316, 318, 321, 325, 331, and 345.)

NEW YORK, *March 19, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Please be advised that we have made a consignment arrangement with T. C. Burke, Inc., Macon, Ga., on the basis of

negotiations which were started previous to our last meeting; we to ship linseed oil consigned to ourselves in his care, insurance to be carried by us, consignee responsible for leakage; we to be at no expense for storage or drayage, withdrawals from consigned stock to be reported by mail, consignee to have privilege of taking all or any part of the consigned stock on hand in case of advance. No compensation to be paid for selling.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager Oil Sales Dept.

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704 [Copy.]

Market Letter #352—Flaxseed Crushing Industry—March 21, 1919.

REPORTED PRICE CONCESSIONS IN ALLENTOWN, PA.

Subscribers #6 and 12 please reply.

The following wire has just been received by the bureau:

NEW YORK, *March 21, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Midland Kellogg reported selling in Allentown, Penna., at their zone three prices freight allowed. We have received no advice of their having changed from f. o. b. warehouse or mill points, and they carry no stocks at this point.

AMERICAN LINSEED COMPANY.

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705 [Copy.]

Market Letter #354—Flaxseed Crushing Industry—March 21, 1919.

SUPPLEMENTARY REPLY FROM SUBSCRIBER #1 IN THE MATTER OF REPORTED CONCESSION IN ALBANY MARKET.

(See market letter #333, 335, 337 & 344.)

NEW YORK, *March 19, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: With further reference to market letter #335. We took up this matter especially in addition to stating that our price was $1.53, with the buyer of the Gibson Snow Co., who states that "while he could buy oil in less than car lots at $1.52 in Albany on

March 12th, he denies that he in any manner stated or inferred that it was the American Linseed Co. who were making a price less than $1.53."

It is possible that Spencer-Kellogg's representative in Albany has given them a wrong impression of market conditions.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager Oil Sales Dept.

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706 [Copy.]

Market Letter #357—Flaxseed Crushing Industry—March 22, 1919.

REPLY TO MARKET LETTER #327—REPORTED SALE TO O'BANNON CORPORATION.

The file of replies on the above, completed this day, discloses that the sale in question was made by subscriber #1, whose letter follows:

NEW YORK, *March 20, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: With respect to market letter #327. We now have a report from our Boston manager on the transaction with the "O'Bannon" Corporation. He states that he was in telephonic communication on the morning of March 6th with these people at Taunton who stated that they wanted a tank of oil. He endeavored to get in touch with Mr. Simpson at their office in Boston but learned that he was out of town and was expected back on or about noon. At one o'clock our manager talked with their office regarding this oil and was informed that Mr. Simpson, the buyer, would not be back until 3.30, and asked that an option be given for reply on or before that time, which he gave them. Our manager was not in his office from 1.30 until 3.40 p. m., and upon his return found a message from the O'Bannon people that they would accept the tank at the price given them earlier. At that time our manager also found in his office our telegram to him advancing the price, which had reached his office at 2 p. m.

We can see nothing to criticize in the action of our manager, under the circumstances.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

707 [Copy.]

Market Letter #359—Flaxseed Crushing Industry—March 24, 1919.

A REMINDER.

The following correspondence may serve to remind all subscribers of their obligations under the service contract in the matter of telegraphing deviations from their last filed price lists:

CHICAGO, *March 19, 1919.*

Subscriber: American Linseed Company, Mr. W. F. Platt, Jr.
From: C. Rosenfels.
Subject: Confirmation report March 17th.

1. We have your confirmation (price list #26) dated Monday, March 17th, and note a reduction in price of linseed cake from your last filed list.

2. This should have been reported by wire, as provided in service contract (lines 273 to 275, inc.), and we believe that an explanation of this omission is due the other subscribers.

3. Will you please let us hear from you at once?

DEPARTMENT OF STATISTICS.
(Signed) C. ROSENFELS.

NEW YORK, *March 21, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In reply to your letter of March 19th, regarding confirmation of price list No. 26, it was a mistake on our part for not telegraphing this information, and we will be very careful in the future to see this is done.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) W. F. PLATT, Jr.,
Oil Sales Dept.

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708 [Copy.]

Market letter #361—Flaxseed crushing industry—March 24, 1919.

REPLY TO MARKET LETTER #347—ANOTHER CASE OF REPORTED CONCESSION IN ALBANY MARKET BY SUBSCRIBER #1.

(See also market letters #337 and 344.)

NEW YORK, *March 22, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: With reference to market letters #347 and 348 please be advised that on the 5 bbls. which Mr. Evans, the buyer of the

Gibson-Snow Co., claimed he could buy from us at a better price than $1.53, upon our representative reporting that he had sold this 5 bbls. at $1.53, freight allowed, Rochester, we immediately wired him that this could not be done, and received word in the mail this morning that the order had been cancelled.

We hope this clears up the matter now to the satisfaction of subscriber #12.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager Oil Sales Dept.

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709 [Copy.]

Market letter #365—Flaxseed crushing industry—March 26, 1919.

REPLIES TO MARKET LETTER #352—REPORTED PRICE CONCESSIONS IN ALLENTOWN, PA.

Midland Linseed Products Co. (3/24/19):

"We have not recently quoted prices on linseed oil in Allentown, Pa., at our zone three price, freight allowed.

"If subscriber #1 has any information to the effect that any agent of this company has quoted such a price, we shall be pleased to investigate if they will give us further information."

Spencer Kellogg and Sons, Inc. (3/24/19):

"We know of no instance where our representative handling the point in question has quoted or sold oil on any basis other than that covered by our price list now on file with you. If subscriber #1 will be kind enough to furnish us with the source of their information, with full particulars, just as we did in reporting allegation that they had sold oil in Albany, N. Y., at 1¢ under their filed price list, we will be only too glad to investigate the activities of our representative. Inasmuch as we do not maintain a stock at this point, several of our recent transactions have been booked on the basis of f. o. b. our nearest stock. In one or two instances we have sold f. o. b. Buffalo at 1¢ under zone 3."

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710 [Copy.]

Flaxseed crushing industry.

[Excerpt from minutes of meeting.]

Market letter #370—(March 26, 1919):

26. The matter of the enforcement of the terms of the various council members using trade acceptances was then brought up by request of Mr. Matthews, and the discussion of this matter developed the fact that all council members using trade acceptances in their terms were using the utmost effort to secure a strict adherence to

those terms by their trade, the only members not advocating or using trade acceptances being the National Lead Company and the Minnesotta Linseed Oil Company.

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711 [Copy.]

Market letter No. 370—Flaxseed crushing industry—March 28, 1919.

[Excerpts from minutes of meeting, March 26th, 1919.]

31. The subject of the new system of merchandising as carried over from the last meeting was then taken up, and the secretary read a brief report from the bureau on this matter covering the cost of the freight rate hand book:

32. "When this question was first discussed the bureau's inquiries for service covered a considerable field and selection was finally made of the Lent Traffic Co., of Pittsburgh, Pa., as being particularly well equipped to give the required information with the utmost promptitude and in a reliable manner.

33. "This company has been rendering traffic service to large industrial interests for twenty-five years, are regularly in touch with all sources of information, do a large business in freight auditing, and conduct cases before the various traffic commissions.

34. "The proposition they have submitted would be to prepare freight sheets covering linseed meal and cake and linseed oil from three points of origin—New York, Buffalo, and Minneapolis—to 20 distributing points to be selected by the council, and the supply of sufficient sheets for each subscriber. These sheets would give the carload freight for oil, cake, and meal per short ton (2,000 lbs.), the carload freight of oil in tank cars per 100 lbs. and per gallon to each distributing point based on a weight of 7½ lbs. per gallon, and the same information on oil in cooperage based upon a weight of 9 lbs. per gallon. Freight sheets would be daily checked for changes to any one of the distributing points, and new sheets issued immediately any change was advised and for every change made.

35. "The supply of freight sheets would be sent to the bureau and be distributed through our daily distribution of market matter. The cost for such service, including the bureau's supervision, would be $750.00 per year. This amount divided equally among the council, would give them freight sheet service at a cost of approximately $58.00 each per year.

36. "Should it be decided to increase the number of distributing centers to 30, the cost would be $850.00 per year, or $65.60 annually for each subscriber, and further additions could be made at any time at an additional cost of $100.00 per year for each 10 additional distributing points."

37. There was then a discussion of this plan versus the present zone system, and it was evident from that discussion that the council was somewhat divided on the two plans.

38. Mr. Matthews offered a proposal from the Spencer Kellogg Company covered by the following resolution:

39. *Resolved*, That it is the sense of the meeting that the subscribers continue to file their price lists on the zone system as now in force, but that in cases where less than carload shipments are made from mill or distributing points that one cent be added to the zone warehouse prices in lieu of freight, and the actual freight prepaid. The following points to comprise mill and distributing centers: (List).

712 40. This resolution and the operation of Mr. Matthews's proposed plan was generally discussed, but upon analysis of the expressions from various council members it was evident that this resolution could not be unanimously approved at this meeting, and therefore the resolution was not allowed to go to vote by the chair.

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713 [Copy.]

Market Letter #371—Flaxseed Crushing Industry—March 28, 1919.

REPLIES TO MARKET LETTER #320—INQUIRY REGARDING PRICES QUOTED IN WASHINGTON, D. C.

Archer-Daniels Linseed Co. (3/24/19):

"Our agent at Baltimore has sold oil in Washington at our Baltimore price. We have instructed him to discontinue the practice. He did it without consulting us."

National Lead Company (3/21/19):

"As regards the inquiry as to whether quotations were made in the Washington, D. C., market on warehouse quantities, freight allowed, we may reply respecting the past, but not recently, that we are guilty, are sorry, and have completely reformed. We might here go into a lengthy explanation, but can not wholly make a satisfactory one about our having deviated in that market from our filed quotations. Some of the responsibility therefor rests upon the undersigned for not having as clearly defined our selling position to our representative there as should properly have been done.

"We repeat that during several weeks past our quotations in that market have been strictly in accordance with those filed with the bureau."

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714 [Copy.]

Market Letter #373—Flaxseed Crushing Industry—March 28, 1919.

REPORTED FREIGHT ALLOWANCE ON L. C. L. SHIPMENT TO COLUMBIA MILLS (INC.), MINETTO, N. Y.

Subscriber No. 6 please reply.

BUFFALO, N. Y., *March 27, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We have reliable information that subscriber No. 6 has sold ten barrels of oil for shipment from their Syracuse stock to

the Columbia Mills (Inc.), Minetto, N. Y., at a price of $1.53, their Syracuse warehouse, raw basis, in cooperage (freight included).

It is our understanding that the last published price list as filed by said subscriber does not include freight on l. c. l. shipments to other points, notwithstanding the fact that these outside points are located in the same zone as the originating point of shipment.

Will you please bulletin this letter in the usual way and ascertain whether or not the facts in this particular instance are as they have been reported to us, and if it is the general policy of said subscriber to allow freight on these l. c. l. shipments made from nearest warehouse stocks, especially where both points are located in the same zone.

Yours truly,

(Signed) SPENCER KELLOGG AND SONS (INC.),
V. H. HUNTER,
General Sales Manager.

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715 [Copy.]

Market letter #376—Flaxseed-crushing industry—March 29, 1919.

MORE INFORMATION RE REPORTED QUOTATION TO KLEIN & CO., WILLIAMSPORT, PA.; ALSO OTHER REPORTED CONCESSIONS IN ZONE THREE.

(See market letters #355, 366, and 373.)

Subscriber No. 6 please reply.

BUFFALO, N. Y., *March 28, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Market letters 355–366.
Quotation to Klein & Co., Williamsport, Pa.

GENTLEMEN: Complying with the request as made by subscriber No. 6 that we advise them what agent of theirs is reported to have made a price of $1.54, basis raw in cooperage, f. o. b. Williamsport, our customer has advised us that they judge that the Midland people would ship from Pittsburgh, Pa., as that is where the quotation came from, being Midland Linseed Products Co., James Forrester, Pittsburgh district representative.

Since the writing of our first letter on this subject under date of March 20th, we have been advised that this same representative of subscriber No. 6 has not only quoted but actually sold oil for delivery to Minetto, N. Y., at their published price of $1.53, zone 3, cooperage warehouse basis, absorbing the freight on said shipment made from Syracuse stock. We are also advised that this same representative has assured the F. P. Collins Paint Co., of Syracuse,

that they could deliver oil for them at Lockport, N. Y., at $1.53, raw basis, shipment to be made from their Rochester, N. Y., stock, notwithstanding the fact that their Rochester warehouse price is $1.53 and that l. c. l. freight charges of more than the equivalent of 1¢ per gallon are involved.

It hardly seems possible that the main office of subscriber No. 6 is not conversant with the activities of this particular representative in this respect.

Yours very truly,

SPENCER KELLOGG & SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager.

716 [Copy.]

Market letter #380—Flaxseed-crushing industry—April 1, 1919.

REPLY TO MARKET LETTER #346—REPORTED QUOTATION BY SUBSCRIBER #2'S OMAHA BROKER.

DES MOINES, IA., *March 22, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We are making inquiry of the Omaha broker who handles our oil in reference to the inquiry as to price which is filed by subscriber #10, as per your market letter #346. We will advise further just as soon as we hear from Omaha.

Yours very truly,

ANKENEY LINSEED MFG. CO.,
(Signed) H. E. ANKENEY, *Sec'y.*

DES MOINES, IA., *March 31, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In final reply to your market letter #346, we have to report that our Omaha broker says that they have made no quotations under our price to them on the 5th inst., $1.51 raw and $1.53 boiled, from warehouse. Omaha have reported no sales to us since the 5th inst. under our price as above, and it would seem that if they had made quotations at $1.48 raw that they would have done some business at the lower price.

Yours very truly,

ANKENEY LINSEED MFG. CO.,
(Signed) H. E. ANKENEY, *Sec'y.*

717 [Copy.]

Market letter #389—Flaxseed-crushing industry—April 7, 1919.

REPORTED QUOTATION TO AMERICAN CAR FOUNDRY COMPANY, MADISON, WIS.

Subscriber #12 please reply:

MINNEAPOLIS, MINN., *April 5, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On April 3rd our branch house, Interior Linseed Company, St. Louis, Mo., reported that they had quoted the American Car Foundry Company on 15 barrels raw oil for delivery Madison, Ill., at $1.51 f. o. b. St. Louis. They failed to get the order and were advised that Spencer Kellogg & Sons had taken the order at $1.51 delivered Madison.

We would like you to ask Spencer Kellogg & Sons if they have a warehouse arrangement at Madison. Also, if they quoted the American Car Foundry Company at Madison on this date and at what price they quoted them.

Very truly yours,

ARCHER-DANIELS LINSEED COMPANY,
(Signed) T. L. DANIELS.

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718 [Copy.]

Market letter #390—Flaxseed-crushing industry—April 7, 1919.

REOPENING THE SUBJECT OF REPORTED PRICE CONCESSIONS IN ALLENTOWN, PA.

(See market letters #352 & 365.)

Subscriber #6 please reply:

NEW YORK, *April 5, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: With reference to market letter #365 and the replies of subscriber #6 and 12. We took up with our Philadelphia representative, who states, with respect to this matter, as follows:

"You will recall that on February 27th I sent one of these cards to you at Chicago, which you subsequently told me over the 'phone you received too late to be of any use. On March 20th I was in Allentown and saw Midland's card dated March 18th, quoting $1.53 in single barrel lots, stamped very clearly, f. o. b. Allentown."

In this connection I am enclosing postal card issued by the Pittsburgh representative of the Midland Company, dated February 18th,

quoting $1.48 per gallon f. o. b. Allentown, which was their #3 zone price but which you will note is quoted on the basis of the seller absorbing the freight, which was not according to their published price, that being on that day $1.48 f. o. b. warehouse, in zone # 3.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

[Card.]

PITTSBURGH, PA., *Feb. 18, 1919.*

GENTLEMEN: We offer subject to prompt acceptance Midland pure raw linseed oil at $1.48 per gallon of 7½ lbs. f. o. b. Allentown.

Terms: Boiled oil 2¢ per gallon extra. 1% for cash in 10 days—30 days net on trade acceptance.

Very truly yours,

MIDLAND LINSEED PRODUCTS COMPANY,
JAMES FORRESTER,
Pittsburgh District Representative.

Price subject to change without notice.

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719 [Copy.]

Market Letter #393—Flaxseed Crushing Industry—April 9, 1919.

ANOTHER EXPLANATION OF "METROPOLITAN DISTRICT" BY SUBSCRIBER #12.

(See market letter #391.)

BUFFALO, N. Y., *April 7th, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We are now allowing the equivalent of the actual expense involved where customers located in the "Metropolitan district" take oil from our mill at Edgewater, N. J., where delivery is made in customers' own trucks on purchases based on our truck delivery price, or 3¢ over our direct shipment basis.

Yours truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager,

NOTE.—The bureau has requested above subscriber to give boundaries of the "Metropolitan district" as referred to in this letter. This information will be published as soon as received.

720 [Copy.]

Flaxseed Crushing Industry—April 9, 1919—Market letter #396.

REPLY TO MARKET LETTER #390, REOPENING THE SUBJECT OF REPORTED PRICE CONCESSIONS IN ALLENTOWN, PA.

(See also Market Letters #352 & #365.)

MINNEAPOLIS, MINN., *April 8, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We acknowledge receipt of your market letter No. 390. We wish to report that we have had, since 1915, an arrangement with the Diehl Furniture House, of Allentown, Pennsylvania, to store linseed oil for us, we paying 10¢ per barrel per month for storage and 8¢ per barrel for hauling to their warehouse.

When reporting our warehouse stock several months ago this arrangement was overlooked owing to our not having stock at that point in October.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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721 [Copy.]

Market Letter No. 397—Flaxseed Crushing Industry—April 9, 1919.

REPLY TO MARKET LETTERS #373, 376, AND 385—REPORTED QUOTATIONS TO COLUMBIA MILLS, INC., MINETTO, N. Y.; KLEIN & CO., WILLIAMSPORT, PA., & DOVER, N. H.—ALSO OTHER REPORTED CONCESSIONS IN ZONE THREE.

MINNEAPOLIS, MINN., *April 8, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Replying to your market letters No. 373, 378, and 385, all of which bear upon the question of quotations made by our Pittsburgh agent, we are sorry to inform you that a careful investigation of this office reveals the fact that some quotations have recently been made by our Pittsburgh agent with freight allowed.

These quotations were made owing to a misapprehension on the part of our Pittsburgh agent regarding the application of zone prices. We wish to say in explanation that it has never been the practice of this company to sell linseed oil in less than carload lots with freight allowed. This company has never authorized its Pittsburgh or other agents, at any time in the past, to sell on this basis. Consequently when the linseed crushers' council passed a resolution at its January meeting limiting the application of zone prices to points where warehouse stocks are carried this office did not feel that it was necessary to notify its agents generally of this resolution.

It now appears that our Pittsburgh agent has obtained a wrong impression on the subject owing to the practices of our competitors in Pittsburgh and other territory. We very much regret this error on the part of our Pittsburgh agent and have taken the necessary steps to prevent any recurrence of incidents of this kind.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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722 [Copy.]

Market Letter No. 433—Flaxseed Crushing Industry—April 28, 1919.

[Excerpt from minutes of April 25th, 1919, meeting.]

(Sent also to Canadian Linseed Oil Mills, Ltd., Montreal, Canada.)

CHICAGO, *April 16, 1919.*

From: Julian Armstrong, Armstrong Bureau of Related Industries.
To: Dominion Linseed Oil Company, Baden, Ontario.
Subject: Co-operation between American and Canadian flaxseed crushers.

1. I desire to place before you a suggestion which could undoubtedly be worked out to afford a profitable return to your company and to the American crushers whom this bureau represents.

2. As you probably know, this country now has a law by which American manufacturers can agree on prices for export.

3. We also have a very substantial set of laws which forbid any such agreement on domestic prices.

4. In order to afford accurate market information of prices quoted for our domestic trade this bureau operates as a board of trade, through which the various members of several of our industries report their daily quotations and sales, and this information is immediately relayed to all of the members of the industry so that each one has immediate and accurate market information covering all such quotations and sales. Naturally by this system competitors obtain a more or less stabilized market, subject only to fluctuations necessitated by such peculiar business conditions as may obtain in the various plants.

5. We believe that such a service as this bureau affords, and which we have been affording for upwards of three years, is an absolutely necessary service, because we do not believe that it is possible for any group of manufacturers to maintain an agreed price (even though such agreements were lawful in this country, which they are not) for any length of time, as such agreements can not be carried out under the law of business economics, and disappointment is bound to result.

6. One of our groups represents all of the crushers of flaxseed, and it is in behalf of the interests of this group that we are writing you to learn whether or not it might be possible to exchange market information between these American crushers and the Canadian crushers, so that our competition in those fields might be more intelligently conducted.

7. As it now stands, these American crushers are advised by the exporter and importer regarding such prices as your company and other companies are quoting, and naturally such information coming from the buyer is generally very unreliable indeed.

8. Speaking for the crushers here, we can assure you that on the basis of an exchange of like information for like information we can keep you advised at all times of the prices being quoted into Canadian and other foreign markets by the American crushers, and can go farther and supply you with complete sales information, in return for which we, of course, should have at all times similar accurate information covering the prices of your company.

9. Under our system of operation it does not obtain that with this information competitors are disposed to undersell one another; to the contrary, we have found that the market becomes fairly stabilized and naturally the sellers are immediately freed from the unfair tactics of the buyer who invariably represents that the competition is much below prices quoted.

723 10. To help you in the consideration of this suggestion for the institution of intelligent competitive methods between American and Canadian members of the industry we enclose a descriptive booklet of our organization; we also enclose what we call our "Service index," which fully outlines the extent of the profession—all service which we render to our clients. All of this is submitted that you may visualize this organization and its operations in all of its substantialness.

11. On the opposite page we list the American manufacturers in your industry whom we represent.

12. May we anticipate an early reply from you? We assure you we are sincerely operating in your interests as well as those of our clients.

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724 [Copy.]

Market letter No. 504—Flaxseed crushing industry—May 20, 1919.

QUOTATION TO GLOBE MFG. COMPANY, PEORIA, ILL.

All subscribers please reply, and inquirer please furnish additional information as noted below:

* * * * * * *

CHICAGO, *May 19, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We quoted the Globe Mfg. Co., Peoria, Ill., our market price to-day on 30 barrels of raw linseed oil, and this afternoon we have received the following wire in reply:

"We are offered 30 barrels at $1.56 Chicago."

Will you please bulletin this item in the usual way?

Yours very truly,

HIRST & BEGLEY LINSEED CO.,
(Signed) REQUE.

NOTE.—In making inquiries of this sort it is not sufficient to say "we quoted our market price," but the exact quotation made must be given. In order to save time the bureau is passing this inquiry and will ask the inquiring subscriber to give this additional information without delay.

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725 [Copy.]

Market letter No. 506—Flaxseed crushing industry—May 20, 1919.

SALES TO FLOOD & CONKLIN, NEW YORK, N. Y.

All subscribers please reply:

Please state whether or not you have quoted the above and give full particulars of any recent quotations or sales:

* * * * * * *

BUFFALO, N. Y., *May 19, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Our New York City representative advises that Flood & Conklin of that market claim to have purchased 200 barrels of varnish oil the latter part of last week at the same price as he was quoting an ordinary raw, and that they have been getting varnish oil right along from one of the eastern crushers, the identity of which they decline to disclose, on this basis. Will you therefore please bulletin this letter, especially to subscribers 1, 3, 6, and 8?

Yours truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager.

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726 [Copy.]

Market letter No. 587—Flaxseed crushing industry—July 8, 1919.

A TIME WHEN SELLING AT COST MIGHT REPRESENT NOT ONLY A NEEDED SERVICE TO THE PUBLIC BUT A DESIRABLE SERVICE TO THE INDUSTRY AS WELL.

From our observation of the soaring prices for linseed oil, which naturally have followed the "sky-line flight" of the flaxseed market, the bureau is disposed to argue for a merchandising policy on linseed oil, at least for a period of time, where the flaxseed cost at its present high level, shall be more or less disregarded, and the selfish interests of the industry, as well as its duty to the buyers of its products, shall be more pertinently considered.

With the present market price for linseed oil well around the $2.10 per gallon price, granting that such a market is quite in line with the present abnormal price for flaxseed (probably the highest ever known in both cases), we are confronted with the question as to whether or not the buyers of linseed oil can actually "afford" this abnormally high market.

The paint manufacturer cannot always anticipate his requirements for linseed oil, and it is unquestionably true that with the tremendous abnormal demand for paint, which is the result of the nonpurchasing period of this commodity during the war, the paint industry is now crowded to the utmost to fill this demand, and probably even the most long-headed manufacturer did not anticipate this demand in his contracts for linseed oil.

Paint, like many other commodities, has been forced to an abnormally high-priced market, and further advances on the part of the paint manufacturer to cover this increased cost of linseed oil could hardly be made in justice to his trade. Therefore the linseed-oil industry is squarely confronted with the question whether they should not make some personal sacrifices to assist in carrying the burden of the paint men, who represent some of their most substantial customers.

Again, everyone in the linseed-oil industry has recognized the desirability of working toward the elimination of the speculative feature of the flaxseed market from the manufacture and sale of linseed oil, and as it is quite probable that the present abnormally high market for flaxseed is somewhat due to speculation on the part of the crushers, are we not squarely up against a concrete example of the burden which is placed upon the industry through such speculation, and is it not time that we do everything within our power—making substantial sacrifices, if necessary—to relieve the prevailing prices of linseed oil from the results of this speculation?

Viewing the situation from an absolutely selfish standpoint, we are confronted with the fact that soya bean oil, which is admitted by some to qualify as a substitute for linseed oil, is selling to-day at approximately $1.30 per gallon, and the difference between this price and that of the prevailing linseed-oil price is a rather substantial argument for the use of the former, and converts made under these conditions may be considered as pretty thoroughly converted.

As we have set forth in the heading of this market letter, the time is unquestionably at hand when this matter should be worked out by each one taking an unselfish point of view and shaping his action so that he may deliver a service even to the extent of sacrificing profits, and the bureau considers it a duty to you to thus publish our deductions.

Will you kindly give this question the earnest consideration it deserves, and assist to the desired end by your active participation and support?

727 [Copy.]

Market letter No. 600—Flaxseed crushing industry—July 16, 1919.

FURTHER INDICATIONS OF THE NEED FOR EDUCATING THE BUYER OF LINSEED OIL AS TO THE OPERATIONS OF THE BUREAU'S SERVICE.

The following letter from Spencer Kellogg and Sons, Inc., is most interesting to the bureau from the standpoint of showing the need of educational work direct to the trade.

Such deductions as this buyer, thus reported upon, has made are unquestionably quite common throughout the field of buyers, and it is only through the presentation of the truth that these adverse criticisms can be met and corrected.

The bureau feels that a great deal of this desired educational work can be accomplished through the medium of the salesmen and representatives whom we plan on reaching by group meetings in the early fall, and in addition to that it is possible that the council should now consider the formation and distribution of a booklet descriptive of their operations through the Armstrong Bureau's service.

BUFFALO, N. Y., *July 15, 1919.*

MR. JULIAN ARMSTRONG,
c/o Armstrong Bureau of Related Industries, Chicago.

DEAR SIR: One of our representatives reports the following after having canvassed the trade in his territory relative to their attitude in regard to the Linseed Crushers' Industrial Council:

"Now we find that the consensus of opinion among our buyers is that they feel that the price of linseed oil is made by one crusher and followed by the other crushers who are subscribers to this service.

"This they base on the fact that they have noticed recently that whenever one crusher came up with an advance or a decline the other crushers who have representatives in Milwaukee have followed the advance or decline within a very short time.

"One went so far as to state that he thought it would go bad with any one allied with this service if he did not see fit to follow in line, and that also from his own personal observation he was now getting better service from the different representatives in that he got protection against an advance which had already been assured him from information received from the other crushers, and that he could always rely on one taking an order after he had information of an advance."

Yours truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) V. H. HUNTER, *Gen'l Sales Mgr.*

728 [Copy.]

Market Letter No. 610—Flaxseed Crushing Industry—July 21, 1919.

SALE TO SULLIVAN OIL COMPANY, CHICAGO.

All subscribers please reply:

Kindly state whether or not you have made quotations or sale as per the following letter, giving full particulars:

MINNEAPOLIS, MINN., *July 19, 1919.*

From: Northern Linseed Oil Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries.
Subject: Sale car cooperage Sullivan Oil Co., July 18.

1. We are today in receipt of telegraphic advice from our Chicago representative advising that they quoted the Sullivan Oil Company on one carload of linseed oil $2.17 per gallon for boiled oil. They were advised later that the purchase had been made from another crusher at $2.15 per gallon for boiled delivered Chicago.

2. Will you kindly bulletin subscribers in the usual way to ascertain who made the sale and at what price?

Yours very truly,

NORTHERN LINSEED OIL CO.,
(Signed) J. W. BRUNETTE.

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729 [Copy.]

Market Letter No. 621—Flaxseed Crushing Industry—July 24, 1919.

REOPENING THE SUBJECT OF SALE TO B. M. ANDERSON & COMPANY, RICHMOND, VA.

(See market letters #602 & 608.)

Subscriber #12 please reply:

Kindly advise the bureau without delay as to the date of your sale as reported in daily sales report #240, and also state whether or not you have made any quotations or sales to the Anderson Company on July 10th or 11th, giving full particulars as to prices quoted.

JULY 21, 1919.

From: Midland Linseed Products Co.
To: Armstrong Bureau of Related Industries.
Subject: Market letters No. 602 and 608.

1. We note that at the request of subscriber #12 you have withdrawn market letter No. 602 and our reply thereto. You will observe that our Richmond agent on July 10th or 11th claimed that subscriber No. 12 had sold the B. M. Anderson Company at $2.03 raw basis. We now note from sales report No. 240 that this sale covered four cars November shipment at $2.03. Subscriber No. 12's price list for November on July 10th was $2.13 and on July 11th $2.18. Will you please further investigate and ascertain from subscriber

No. 12 the date on which the above sale was made, also if subscriber No. 12 did on July 10th or 11th quote to B. M. Anderson & Co. a price of $2.03 for November shipment.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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730 [Copy.]

Market Letter No. 625—Flaxseed Crushing Industry—July 24, 1919.

REPLY TO MARKET LETTER #609—FURTHER COMMENT IN THE MATTER OF SUBSCRIBER #3'S QUOTATION REPORT #45—LINSEED OIL IN LIGHT STEEL DRUMS.

(See market letters #585 & 590.)

JULY 23, 1919.

From: Archer-Daniels Linseed Company.
To: Armstrong Bureau of Related Industries.
Subject: Report #45 on light steel drums.

1. In reply to market letter #609 subscriber #1's inquiry of July 15th, regarding our sales of oil in steel containers at 2¢ over our cooperage price, would say that as stated in our report #45 this differential was made to apply only from Minneapolis mill on account of cooper shop difficulties at this point.

2. Our market letter #590 was not written with any idea of reconciling this differential of 2¢ with our filed differential for drums showing price of 3¢ under our cooperage price plus the cost of drums but meant to point out that from practical standpoint it was possible to get out whole so to speak, naming a 2¢ differential for steel drums.

3. As we understand the terms of the service contract we were carrying out our part in notifying the bureau that we were making this 2¢ differential.

4. When the present emergency in the cooperage situation is past in Minneapolis, we will revert to our filed differential on steel containers.

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731 [Copy.]

(Subdiv. 12—Art. V.)

Market letter No. 643—Flaxseed crushing industry—July 31, 1919.

MAINTAINING THE THIRTY DAY TRADE ACCEPTANCE.

Subscriber #12 please reply specifically, and other subscribers please express their views:

JULY 30, 1919.

From: Archer-Daniels Linseed Co.
To: Armstrong Bureau of Related Industries.
Subject: Maintaining the thirty day trade acceptance.

1. For a number of years we have been doing business with the Bradley-Wise Co., of Los Angeles, Cal. They have been rather slow

pay, and it was with a feeling of satisfaction that we thought of the 30 day trade acceptance plan as solving our problem as regards this particular company, as well as many others of a similar nature.

2. We yesterday received the following letter from our agent, the L. H. Butcher Co., of Los Angeles, from which we quote:

"The writer wrote you asking your permission to put Bradley-Wise on an open account basis instead of the trade acceptance. You did not want to allow this, and we therefore notified Bradley-Wise that they would either have to discount or send in the trade acceptance. Later on Spencer Kellogg wrote them a letter, which Mr. Bradley showed us, stating that they would be pleased to sell them oil without the use of the trade acceptance and giving them terms of 30 days net cash. Bradley therefore refused to send in trade acceptance to any linseed oil crusher."

3. It was our understanding from expression made at the meeting of the Armstrong Bureau on March 27th, 1919, by subscriber #12's representative, and it has been the impression of other officers of our company from similar expressions, that subscriber #12 was interested in maintaining the 30 day trade acceptance wherever possible. Previous to subscriber #12's proposition to Bradley-Wise, of Los Angeles, they had expressed their willingness to our agent at Los Angeles of signing 30 day trade acceptances. We wish to point out, therefore, that this is one case in which signing the 30 day trade acceptance was not unduly pressing a customer.

4. It seems to us that subscriber #12 has used in this case our maintenance of the 30 day trade acceptance possibly as a lever to swing business his way.

5. We earnestly request that all council members, wherever possible, maintain the 30 day trade acceptance, as we believe that with a little determination, as in this case, trade acceptances may be universally accepted, and that it is only where agents fail to take a determined stand that trade acceptance is not used.

Very truly yours,

ARCHER DANIELS LINSEED COMPANY.

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732 [Copy.]

(Subdiv. 2, Art. V.)

Market Letter No. 654—Flaxseed Crushing Industry—August 6, 1919.

AN INQUIRY REGARDING THE BUREAU'S SERVICE FROM AMERICAN PAINT JOURNAL.

CHICAGO, *August 4, 1919.*

To: Armstrong Bureau of Related Industries.
From: Hirst & Begley Linseed Works.

Herewith find letter of inquiry from the American Paint Journal, of St. Louis. This trade paper has a wide circulation among the con-

sumers of linseed oil, and we think their letter afford you a good opportunity of getting the purposes of your institute before a mass of intelligent readers.

Very truly yours,

HIRST & BEGLEY LINSEED WORKS,
(Signed) J. W. HIRST, *Manager.*

ST. LOUIS, MO., *August 2, 1919.*

Mr. J. W. HIRST,
Hirst & Begley Linseed Co.,
2013 Mendel Street, Chicago, Illinois.

DEAR SIR: We have this inquiry from one of our Iowa subscribers: "Will you kindly give us what information you can in regard to the Armstrong bureau and the affiliation of the linseed crushers with same?"

This is something new to me, and I wonder if you can help us enlighten this reader and ourselves.

A stamped envelope is enclosed, and appreciating any cooperation in this connection.

Yours very truly,

(Signed) CHARLES-ALLEN CLARK,
Vice Pres.

(American Paint Journal Co. (Inc.).

AUGUST 4, 1919.

Mr. CHARLES-ALLEN CLARK,
American Paint Journal, St. Louis, Mo.

DEAR SIR: We have your valued inquiry of the 2nd inst. and are passing your letter to the Armstrong bureau knowing they will furnish a more interesting reply than we could. If you don't hear from them promptly let me know.

Very truly yours,

HIRST & BEGLEY LINSEED CO.

733 AUGUST 5, 1919.

From: Armstrong Bureau of Related Industries.
To: Mr. Charles-Allen Clark, Vice Pres., American Paint Journal Co., Inc., Pontiac Building, St. Louis, Mo.
Subject: The Service which this Bureau is Extending to the Linseed Crushers.

1. We are advised by our clients, Hirst & Begley Linseed Works, Mr. Clark, that you have expressed an interest in the service which we are extending to the manufacturers of linseed oil, and although it is difficult to give you a complete explanation of that service by mail, we will undertake to do so nevertheless.

2. First, the Armstrong Bureau of Related Industries is an organization which has been in operation for upwards of four years, directing the cooperative work of a number of industries. Our

clients in these industries are held to a common purpose through the medium of a service contract with the bureau. This is an individual instrument between each company-signer and the bureau; it does not recognize the other members of the industry as an "association," of any similar collective body.

3. These service contracts insure that market reports covering the individual company's quotations and sales, etc., will be promptly forwarded to the bureau, and this market information, similarly received from all the other subscribers in that industry is relayed to each and every one so that, so far as this feature of the service is concerned, we operate virtually as a board of trade, and each subscriber in an industry knows practically every hour in the day the fluctuating prices for the product.

4. In addition to this market stabilization feature—and market stabilization must not be confused for a moment with "price fixing" or anything that savors thereof—we assure the public a market based on the economic law of supply and demand, just as wheat and corn change hands on the Chicago Board of Trade.

5. This particular phase of our service, you will see, eliminates at once all of the objectionable features of merchandising under the old order of things, where blind competition dominated.

6. Manufacturers who have subscribed to this service for upwards of three years have obtained a fair and legitimate price for their product, and no more. In fact, during war time when profiteering obtained in many industries, we can point with pride to the fact that our groups actually set about to check any possible disposition on the part of any of the member companies in their industry toward profiteering and directly bearing on that particular work, our war service committee, working in conjunction with the War Industries Board, received the highest praise for the completeness of their cooperation.

7. Usually it requires not longer than four months to substantially install what we term "intelligent competition" in an industry through this exchange of statistics and market information, and immediately that has been accomplished the bureau is able to turn its efforts to the greater cooperative work for the industry, which generally means the standardization of product, the introduction of standard cost accounting systems, undertaking the solution of traffic problems of interest to the industry, and a thousand and one things which in the final analysis deliver a very substantial return to the public.

8. To assist you in visualizing the breadth of our service we enclose a "service index" and in addition to that a descriptive booklet of the work of this organization.

9. The Armstrong Bureau of Related Industries is the only institution of its kind in existence. All of our work is thoroughly known at Washington, and the service contracts above referred
734 to are in every case filed with the Department of Justice and the Federal Trade Commission, and the bureau's records—

which are full and complete—are at all times open to investigation by any of the Washington officials.

10. You will recognize from this course of procedure that one of the underlying principles of our work is complete publicity as to all of our operations, and this means that we are more than glad to receive visits from the buyers of the products of an industry to whom we are extending service, and we have yet to find such an investigator who does not leave these offices fully convinced that the service we extend to those from whom he buys delivers a direct and substantial return to him, and in the final analysis, that all important public service measure which is clearly seen in the result of our work.

11. We have had one or two visits from paint manufacturers, and we have had a call from a representative of one of the trade papers only a few days ago. We should be glad indeed to have a representative of your publication call upon us for the purpose of securing a more complete insight into the operation of this service as it affects the linseed oil industry.

(Signed) JULIAN ARMSTRONG.

735 [Copy.]

Market Letter No. 663—Flaxseed Crushing Industry—August 9, 1919.

COMMENT ON SALE BY SUBSCRIBER #3 AS PER SPECIAL SALES REPORT #21.

Subscriber #3 please reply:

The bureau feels that subscriber #1 is entirely justified in his view point, expressed in the following letter, and that a full explanation is forthcoming from subscriber #3 as to the sale in question, and also that all council members are entitled to know what steps have been taken by him to prevent a recurrence of such mistakes.

The bureau is also awaiting a reply from this subscriber to our letter of August 7th requesting particulars of this sale.

AUGUST 7, 1919.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

DEAR SIRS: We find it impossible not to comment in a critical way respecting the sale which you advise by telegram today the Archer-Daniels Co. made in zone #3 through a misunderstanding, at 5¢ under their filed price, for August–September delivery. This is very interesting, particularly when we got out market letter #601 which was another case of error by an agent of the Archer-Daniels Co. in zone #3. It would be interesting to know if this letter error can also be charged to Archer-Daniels New York agent.

Seriously, we think the action of their agent should be criticised and so far as we are concerned, if it is demonstrated that it was their

New York agent who had made this mistake, we would like have some statement from the Archer-Daniels Co. as to the frequency of similar happenings in the future.

We confess that we were not impressed with subscriber No. 3's reply on July 14th to the letter of the bureau; it seeming to us that they did not treat the matter with any great degree of seriousness. A statement from them similar to the one that they made in respect to the other transaction on this one, i. e., that they are willing to turn over the business to some other council member and intimating that they were not going to pay commissions to their representatives on the sale does not appeal to us.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

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736 [Copy.]

(Subdiv. 12—Art. V.

Market letter No. 675—Flaxseed crushing industry—August 14, 1919.

THREE ADDITIONAL REPLIES TO MARKET LETTER #643, MAINTAINING THE THIRTY-DAY TRADE ACCEPTANCE.

(See partial compilation report, Market letter #658.)

William O. Goodrich Company (8/9/19):

"Our terms on linseed oil are 1% ten days or thirty days trade acceptance, net. Although we do not have occasion to make use of the trade acceptance to any great extent, we have had very little opposition to its use from buyers who do not discount.

"We are thoroughly in favor of the trade acceptance and use our best efforts to have settlement made in this way when discount is not taken."

Midland Linseed Products Co. (8/8/19):

"For several months all of our Linseed Oil contracts have named the terms recommended by the Linseed Crushers' Council, namely 1% discount for cash or a 30 day trade acceptance. These contracts have been accepted by the buyers without question. We have made a systematic effort to enforce these terms.

"As far as we can learn, no serious effort has been made by any other member of the Linseed Crushers' Council to carry out the 30 day trade acceptance terms. We believe the use of the trade acceptance would be beneficial to the industry, but unless there is soon to be a general effort on the part of our competitors to use the trade acceptance, we shall discontinue our efforts in this direction."

The Mann Bros. Co. (8/9/19):

"We have not found it necessary as yet to adopt the thirty day trade acceptance. We still sell linseed oil on the terms thirty days

net or less 1% for cash in ten days from date of shipment. We have very few customers who do not discount the bills, and those few we insist upon payment at the end of the thirty day period, and so far all has worked well. Should we have any trouble in our collection will be glad to start the thirty day trade acceptance, but at present writing we do not find it necessary."

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737 [Copy.]

Market letter No. 677—Flaxseed crushing industry—August 14, 1919.

REPLY FROM SUBSCRIBER #2 TO MARKET LETTER #604, CONNECTIONS WITH BURGESS-FOBES COMPANY, PORTLAND, MAINE.

(See also market letters Nos. 567, 596, 607, & 619.)

1. We believe this entire controversy which is now unselfishly settled by the parties in interest can be provided against in the future by the bureau's plan of education direct with our agents and representatives.

2. In other words, had the representatives of the companies in conflict on this matter been thoroughly imbued with the spirit of fair, friendly competition, it is undoubtedly certain that such a situation would never have developed.

BUFFALO, N. Y., *August 13, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Market letter No. 604—Connections with Burgess-Fobes Co., Portland, Maine. (See market letters 567 and 596.)

GENTLEMEN: We have delayed reply to this letter, awaiting a full report from our Boston representative under whose jurisdiction the agency at Portland is handled.

We find that while it is true that the building in which our oil is stored by Mr. J. F. Massure, our representative, is owned by the Burgess-Fobes Company, we fail to see wherein any exception can be taken because of this arrangement, as we cannot reconcile ourselves to the insinuation that the arrangement gives us any advantage from a selling standpoint with Burgess-Fobes Company, and are inclined to believe that had subscriber No. 3 lived up to the resolution relative to the establishment of consignment connections with consuming distributors there would have been no object raised on the part of any of the subscribers to the present storage arrangement. On the other hand, we are perfectly willing, for the sake of harmony, to effect other storage arrangements in Portland, and have

therefore notified our Boston representative to instruct Mr. Massure to obtain other storage facilities immediately, notwithstanding the fact that we feel that we are the victims of pernicious activity on the part of a subscriber's representative.

We might also add that our investigation has developed the fact that Burgess-Fobes Company have warehoused a stock for subscriber No. 1 for a good many years back, this arrangement existing prior to our present Boston representative's location in that market. Yet, notwithstanding that fact, this company and other subscribers have enjoyed a large portion of the Burgess-Fobes Company's business and, frankly speaking, we see no reason to affect our chances of securing business from them in the future any more than it has in the past. We also believe that so long as subscriber No. 1, or any other subscriber, does not attempt to establish agency arrangements, we should be indifferent to the warehouse proposition. That is to say, that the matter is not worth taking a position antagonistic to any of the council members interested.

Yours truly,

SPENCER KELLOGG & SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager.

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738 [Copy.]

Market Letter No. 687—Flaxseed Crushing Industry—August 20, 1919.

SALE TO THOMPSON & COMPANY, PITTSBURGH, PA.

All subscribers please reply.

Kindly state whether or not you have made a quotation to the above, giving full particulars and also advising whether you secured the business.

BUFFALO, N. Y., *August 19, 1919.*

To: Armstrong Bureau of Related Industries.
From: The Mann Bros. Co., J. J. Mann, Vice pres.
Subject: Special Quotation.

1. On August 18th we quoted Thompson & Co., Pittsburgh, one carload raw linseed oil for direct shipment at $2.21, our filed price in zone 2. Thompson has advised us he has purchased elsewhere for less money. Will you kindly bulletin the council members and advise us on this point.

Yours truly,

THE MANN BROS. CO.,
(Signed) JOHN J. MANN,
Vice Pres.

739 [Copy.]

Market Letter No. 689—Flaxseed Crushing Industry—August 20, 1919.

CONFIRMING TELEGRAPHIC COMMUNICATIONS REGARDING REPORTED QUOTATIONS OF SUBSCRIBER #6.

[Telegram.]

BUFFALO, N. Y., *August 20, 1919—9.55 a. m.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Reliably informed yesterday morning subscriber #6 quoted dolga raw tanks arko jajul as wanted. St. Louis reports same basis. Please investigate and wire quick. Important.

SPENCER KELLOGG & SONS.

[Telegram.]

CHICAGO, *August 20, 1919—11.10 a. m.*

SPENCER KELLOGG & SONS, INC.,
Buffalo, New York.

Bisbee here now states not a barrel oil quoted jejul dolga. Have quoted Maju anl July tanks dolga basis per bureau's wire to-day.

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

NOTE BY THE BUREAU.—Mr. E. C. Bisbee happened to be in the offices of the bureau when the above wire was received and we were therefore able to secure the facts from him immediately as per this telegram.

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740 [Copy]

Market Letter No. 690—Flaxseed Crushing Industry—August 21, 1919.

SALE TO F. W BIRD & SON, EAST WALPOLE, MASS.

All subscribers please reply.

Will you kindly state promptly whether or not you have made any recent quotations to the above, giving full particulars, and stating whether you were awarded the business?

NEW YORK, *August 19, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On Friday, August 15th, we quoted F. W. Bird & Son, East Walpole, Mass., on tank car of varnish oil at $2.20 in tanks, this being based on raw linseed oil at $2.17 in tank, 3¢ over

for varnish. We did not get the business and were informed that our customer had been quoted a lower price for prompt shipment.

Will you kindly bulletin the members, and ask if any have quoted or sold on this inquiry?

Yours very truly,

(Signed) F. K. QUINE,
Manager Oil Sales Dept.

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741 [Copy.]

(Subdiv. 12, Art. V.)

Market Letter No. 693—Flaxseed Crushing Industry—August 22, 1919.

FURTHER COMMENT ON MARKET LETTER #675, MAINTAINING THE THIRTY DAY TRADE ACCEPTANCE.

(See also Market Letters #643, 658 & 681.)

AUGUST 20, 1919.

From: Midland Linseed Products Co., Minneapolis, Minn.
To: The Armstrong Bureau of Related Industries, Chicago, Ill.
Subject: Thirty day trade acceptance terms on linseed oil, market letters 643, 675 & 681.

1. The Linseed Crushers' Council has advocated the Trade Acceptance terms and we believe the enforcement of such terms is desirable. We have in mind particular accounts which have been unsatisfactory and of little value heretofore, which under trade acceptance terms, have been entirely satisfactory.

2. We understand that it is not practicable for those crushers having retail accounts to make a general application of these terms. There has apparently been a wide variation in the efforts of the different subscribers to make these terms effective. Some loss of trade and good will is certain to result from these efforts and the crushers have suffered in proportion to the vigour with which they have endeavored to carry out the recommendations of the Linseed Crushers' Council.

3. It is advisable, we think, that the Linseed Crushers' Council should determine in what classes of trade it is practical to enforce the trade acceptance terms and what measures shall be taken for the enforcement of same. If then each subscriber will follow the definite proceedure recommended, we believe more progress will be made in this direction.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

742 [Copy.]

(Subdiv. 12, Art. V.)

Market Letter No. 694—Flaxseed Crushing Industry—August 23, 1919.

FURTHER REPLY TO MARKET LETTER #643, MAINTAINING THE THIRTY DAY TRADE ACCEPTANCE.

(See also market letters #658, 675, 681 & 693.)

NEW YORK, *August 20, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Illinois.

GENTLEMEN: Referring to your market letter No. 675 of August 14th, we beg to say that the trade acceptances had been adopted by this company to a very great extent prior to the organization of your bureau, and we have, since the universal adoption of the thirty days net trade acceptance terms, diligently sought to enforce those terms.

We are much gratified with the results obtained. The number of trade acceptances received by us is gradually increasing.

One of the most noticeable results of this change in terms has been that from seventy-five to ninety per cent of all linseed oil bills with this company are now discounted.

Very truly yours,

AMERICAN LINSEED COMPANY,
(Signed) W. A. JONES, *Secretary.*

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743 [Copy.]

(Subdiv. 12—Art. V.)

Market letter No. 701—Flaxseed crushing industry—August 26th, 1919.

ANOTHER REPLY TO MARKET LETTER #643, MAINTAINING THE 30-DAY TRADE ACCEPTANCE.

(See market letters #658, 675, 681, 693, & 694.)

NEW YORK, N. Y., *August 23rd, 1919.*

From: National Lead Company, C. T. Nolan, manager.
To: Armstrong Bureau of Related Industries, Chicago, Illinois.
Subject: Market letters # 643 and 658.

For the steenth time we will state through the bureau to all council members that we do not see our way clear to use trade acceptances.

Yours very truly,

(Signed) C. T. NOLAN, *Manager.*

744 [Copy.]

(Subdiv. 6 and 7, Art. V.)

Market letter No. 712—Flaxseed crushing industry—August 30, 1919.

REPORTED QUOTATIONS IN ZONE 2.

Subscriber #3 please reply.

[Telegram.]

NEW YORK, *August 29, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
11 South La Salle, Chicago.

Our Detroit agent advises Archer Daniels sold and delivered to Woodison and Company yesterday at two fourteen their filed price zone two spot and August two twenty four L. C. L. warehouse. Please bulletin.

F. K. QUINE.

[Telegram.]

CHICAGO, *August 29, 1919.*

ARCHER-DANIELS LINSEED CO.,
Minneapolis, Minn.

Detroit agent of subscriber advises you sold and delivered Woodison and Company twenty eighth at two fourteen, whole your filed price zone two spot and August was two twenty-four L. C. L. warehouse. Kindly wire facts immediately.

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

[Telegram.]

BUFFALO, *N. Y., August 30, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Illinois.

Reliable information subscriber three quoting openly basis two ten September shipment zone two delivery, whereas last price list reports two eleven. Please investigate immediately and wire quick.

SPENCER KELLOGG & SONS.

[Telegram.]

CHICAGO, *August 30, 1919.*

ARCHER-DANIELS LINSEED CO.,
Minneapolis, Minn.

Another subscriber confirming your reported quotations zone two. Please wire facts quickly.

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

[Telegram.]

MINNEAPOLIS, MINN., *Aug. 30, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Illinois.

Have no advice of delivery. Certainly did not sell Woodison on August twenty-eight.

ARCHER-DANIELS LINSEED CO.

745 AUGUST 30, 1919.

From: Armstrong Bureau of Related Industries.
To: Archer-Daniels Linseed Co., Minneapolis, Minn.
Subject: Your reported sale in zone 2.

We have your telegram advising that you did not sell Woodison & Company on August 28th, but you will see from market letter #712, going out to-day, that it is necessary to look into this matter and give further detailed advice, as reports from the Detroit territory seem to clearly indicate that there have been unreported deviations from your last filed price list in that district.

Will you kindly, therefore, look into this matter fully and advise us by the earliest mail possible, so that we may bulletin your final report?

(Signed) C. ROSENFELS.

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746 [Copy.]

Market letter No. 713—Flaxseed-crushing industry—August 30th, 1919.

QUOTATION TO U. S. GUTTA PERCHA PAINT COMPANY, PROVIDENCE, R. I.

All subscribers please reply:

Will all subscribers please state whether they have made quotations to the above and give full particulars on the same.

BUFFALO, N. Y., *August 29, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Illinois.

GENTLEMEN: On the 27th our New England representative was informed by the U. S. Gutta Percha Paint Company, Providence, R. I., that they had been quoted by a crusher $2.10 basis raw oil in cooperage car lots September delivery.

This quotation being out of line with any of the price lists as published by all council members, we request that you bulletin this letter to all subscribers in the endeavor to ascertain whether or not any of their New England representatives have quoted this particular customer on the basis as claimed, particularly in that said cus-

tomer intimated very strongly that the quotation was made him by the representative of a crusher other than the representative of the one crusher in the East that is not a subscriber to your service.

Yours truly,

(Signed) SPENCER KELLOGG AND SONS, INC.,
V. H. HUNTER,
General Sales Manager.

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747 [Copy.]

Market Letter No. 715—Flaxseed Crushing Industry—September 2, 1919.

REPORTING ON THE BUREAU'S EFFORTS TO SECURE THE ENROLLMENT OF THE FREDONIA LINSEED OIL WORKS COMPANY.

Council members have already been advised of previous correspondence between the bureau and the Fredonia Linseed Oil Company on the question of their subscribing to this service.

It will be a matter of interest to the council to know that the bureau has been persistently following this up with Mr. Wiley, their president, to the extent that we have now carried the question before Hon. Richard J. Hopkins, attorney general of the State of Kansas, the reason for that action being that Mr. Wiley finally took the stand that the laws of his State were designed to prevent any cooperation whatsoever between competitors, or words to that effect.

Upon receipt of that statement the bureau secured a complete set of the laws of the State of Kansas bearing on cooperation, and after a careful study of the same, while admitting that they were drastic and far reaching, we were still pleased to note that they had no bearing on the form of cooperation as directed by the bureau.

Following our conclusions we so advised Mr. Wiley; we also wrote Mr. Hopkins, the attorney general, and without making reference to the particular manufacturer in question we advised him that one of the manufacturers in his State was being deprived of very substantial benefits from lawful cooperation which he might obtain through his subscription to this service, and which he was not obtaining by reason of his evident misinterpretation of the laws of the State of Kansas.

We asked the attorney general if he would be willing to pass comment on the explanation of our service which we would make to him in person, so that we might then take his statement to the manufacturer in question.

We received an excellent letter from the attorney general in reply, expressing his willingness to proceed with the plan as suggested. Upon receipt of this communication we immediately advised Mr. Wiley that we were prepared to go before the attorney general on the condition that if his comment was favorable we should then expect the immediate enrollment of the Fredonia Company.

It is evident that we have "knocked the pins" from under Mr. Wiley's final excuse, as he sidesteps the issue and advises us under date of August 25th that he will be in Minneapolis some time in the near future and expects to take this matter up with some of the crushers in that city, and will write us fully upon his return to Fredonia.

Will all council members located in and around Minneapolis please be on the lookout for he "wiley" Mr. Wiley?

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748 [Copy.]

(Subdiv. 6 and 7, Art. V.)

Market letter No. 717—Flaxseed-crushing industry—September 2, 1919.

REPLY TO MARKET LETTER #712—REPORTED QUOTATIONS IN ZONE 2.

MINNEAPOLIS, MINN., *Sept. 1, 1919.*

From: Archer-Daniels Linseed Co.
To: Armstrong Bureau of Related Industries, Chicago.
Subject: Prices at Detroit.

On Saturday morning, Aug. 30th, we received your message:

"Detroit agent of subscriber advises you sold and delivered Woodison & Co. 28th at 2.14 while your filed price zone two spot and August was 2.24 L. C. L. warehouse. Kindly wire facts immediately."

To which we replied:

"Have no advice of delivery, certainly did not sell Woodison on 28th."

Saturday afternoon, when our office was closed, the writer was called up at his country home by the telegraph company, giving the following message from you:

"Another subscriber confirming your reported quotation zone two. Please wire back quickly."

The writer did not keep a copy of his answer to this message, but it could have been nothing further than to have confirmed what we stated in the morning; that we had no advice of any new transaction with Woodison, nor have we to-day.

You will probably remember wiring us on the 26th, which we received at 11.45 a. m.

"Kellogg has reduced price 2.10 September raw cooperage, zone one."

At 3.15 in the afternoon we reduced our raw cooperage price carloads, in zones one, two, and three to 2.10, as our price list number 37.

The last transaction we are advised of with Woodison is a sale on July 24th at 2.16, which was our filed price under price list No.

32. As we have a letter from Detroit agency under date of Aug. 28th giving no information of any Woodison business, we cannot imagine that they have sold or delivered any oil to Woodison at 2.14. There is some cheaper oil still due Woodison sold in June.

Very truly yours,

ARCHER-DANIELS LINSEED CO.

749

CHICAGO, *Sept. 2, 1919.*

Subscriber: Archer-Daniels Linseed Company.
From: Armstrong Bureau of Related Industries.
Subject: Prices at Detroit. (See market letter #712—Reported quotations in zone 2.)

1. We have your letter dated September 1st, which is being published in market letter #717 to-day, and while we note that your last transaction with Woodison, of Detroit, was a sale on July 24th, the case reported in market letter #712 seems urgent enough to warrant your specific communication with that agent, and we would therefore suggest that you communicate with him at once and secure the direct information as to the particular sale reported.

2. You can readily understand that where a direct question is asked as to a quotation or sale in any territory it is hardly satisfactory to the inquiring subscriber to be told in a general way that no sale has been made in that region without direct reference to the persons who would be responsible for such a sale. Your Detroit agent (or, for that matter, the agent of any subscriber) might, through a slip, fail to report a sale, as such cases as you know have occurred in the past. That is why the bureau must request in every case where a direct question is asked that a direct reply, based on facts secured from responsible parties, be made.

3. Will you kindly go into this matter fully and let us have your detailed report with the least possible delay?

(Signed) C. ROSENFELS.

750

[Copy.]

Market letter No. 721—Flaxseed crushing industry—September 4, 1919.

A FURTHER COMMUNICATION FROM THE NATIONAL PAINT, OIL AND VARNISH ASSOCIATION.

(See market letter No. 716.)

All council members will see by the bureau's reply to Mr. Cornish's communication that if this co-operation with the National Paint, Oil and Varnish Association is to be brought about, the bureau will have to be commissioned to furnish the statistics required and the other points of affiliation, as suggested by Mr. Cornish, must, of course, be duly considered and passed upon by the council.

The bureau is also willing to be represented at the meeting of the National Paint, Oil, and Varnish Association if in the opinion of the council members such procedure at this time seems desirable. On the other hand, it is quite probably that inasmuch as substantial representation of the council is assured, making it unnecessary for the bureau to have special representation there.

However, this can also be decided upon at the next meeting, and the bureau will promptly bulletin any comments on this matter than may be forthcoming from the council in the interval.

NATIONAL PAINT, OIL, AND VARNISH ASSOCIATION,
New York, September 2, 1919.

Mr. JULIAN ARMSTRONG,
Armstrong Bureau of Related Industries,
11 La Salle St., South, Chicago.

DEAR SIR: Mr. Horgan has shown to me your letter to him of the 30th ult.

As you may know, the National Paint, Oil, & Varnish Association that holds its next annual convention at White Sulphur Springs, W. Va., on September 22–25, contains in its membership every client you have in the Flaxseed Crushers of America. Practically every corroder of white lead or red lead, manufacturer of mixed paints or varnishes, manufacturer of brushes, plate glass, cans, naval stores, and in short every article that is sold to the retail trade that supplies building and decorating material is a member of this association. It is the oldest trade association in the United States. It has developed mutual fire insurance that has resulted in a decrease of nearly 50% of the premiums exacted from paint and varnish makers. It originated the idea that later developed into a Secretary of Commerce as a Cabinet minister. Its trade mark bureau is the best equipped of its kind in the United States. The annual sales of its members in the aggregate amount to about a billion dollars per annum. It has all the dignity of an old established, respected trade organization.

For several years at its annual convention it has recommended a statistical bureau that should issue bulletins from time to time giving statistical information.

In addition to manufacturers it admits into membership large distributors, but excludes retailers. In the membership of the association are the flaxseed crushers, who have an association of which you in charge. There is also a White Lead Institute, a Mixed Paint Grinders' Association, a Dry Color Institute, a Lithophone Institute, a Shellac Institute, a Zinc Product Institute, a Naval Stores Association, a Varnish Makers' Association, a Brush Manufacturers' Association, and a Plate Glass Association. All of these associations are doing the same work that you are doing in the Flaxseed Association.

It has occurred to me, therefore, that if these associations would call themselves bureaus of the National Paint, Oil & Varnish associa-

tion, and from time to time at frequent intervals present to the
751 secretary of the N. P. O. & V. Ass'n part of the statistical information as they are gathering and disseminating amongst themselves, it would be very advantageous to all of them.

For instance, I do not see that it would do any harm to the Flaxseed Crushers Association to communicate to the N. P. O. & V. Association the ruling prices of linseed oil and oil cake for the month preceding the report, or such information as it has regarding the acreage planted to flaxseed, the condition of the crops in the United States, Canada, Argentina, and India as reported to the public, and any other statistical information of this kind.

You are very careful in your association never to discuss future prices or to make any agreement or understanding which could be considered as in restraint of trade or preventing competition. The very fact that you are reporting this information to the large buyers of your product would give a reason for the existence of your association that would be unobjectionable to the general public. You can not call this a trade secret or information that you would like to keep in your own hands, because every member of your association gladly gives this information to every important buyer who seeks it.

At present the public is becoming alarmed at the remarkable growth of trade associations. There is a general suspicion that the object of these assocations is to increase prices. This is natural. Why do these men who have always been bitter competitors unite themselves in an association? Why do they pay large sums of money into the organization for the operation of their association? Why is it that after the associations have been formed the prices of the articles manufactured have invariably increased, with larger profits to the members?

Mr. Untermeyer, one of our leading New York lawyers, in a recent address which has attracted attention in Washington, stated that trade associations in every industry had been organized, and that although they ostensibly did not agree upon prices, yet by a wink, a shrug, or apparently careless conversation they were actually doing it, and the Government should stop them. I have reason to believe that methods of stopping them are already being considered in Washington.

As you and I know, these associations are valuable not only to the members but to the general public if the opportunities they furnish are not abused.

I believe, therefore, that if all of the associations in the allied industries that are members of the N. P. O. & V. Association would call themselves bureaus and their secretaries "assistant secretary" of the N. P. O. & V. Association, and thereby take themselves out of the class that is very soon to be critically examined by the public and Government, they would display rare tact in so doing. Even cost sheets, which were displayed in full to the Government during the war and are now being given to members of the several institutes, could without detriment, in my opinion, be reported to the

secretary of the N. P. O. & V. Association. The only persons from whom ordinarily we would desire to conceal our cost sheets are our competitors. If we are giving this information to our competitors we certainly would suffer no harm by giving it to the association. However, at this time I am not seeking to go that far. Any information which the flaxseed crushers of America or the other associations mentioned deemed unwise to give to the public, need not be given. Enough can still be given to make the national association a distributor of important statistical information.

I think if you would consider the matter you will conclude, as I have, that by allying your association with the National Paint, Oil & Varnish Association and giving to your important customers in that way the same information you are now giving to them when selling goods, that you would be extremely tactful.

It is for this reason that I hope you will put before the Flaxseed Crushers Association the proposition I have outlined and obtain authority to attend the convention at White Sulphur Springs with the view of assisting in the formation of a statistical bureau in the national association as above outlined.

Very truly yours,

(Signed) E. J. CORNISH, *President.*

752 SEPTEMBER 4, 1919.

From: Julian Armstrong, Armstrong Bureau of Related Industries.
To: Mr. Edward J. Cornish, president National Paint, Oil, & Varnish Assn., 111 Broadway, New York City.
Subject: Your letter of the 2d regarding the cooperation of our clients, the flaxseed crushers, with your association.

1. I thank you very kindly, Mr. Cornish, for your letter above referred to, and I am placing this communication before our clients in the linseed-oil industry and will be guided by their wishes in the matter.

2. In the main I agree with your suggestions, as this bureau has always advocated a policy of giving full and complete publicity to the operations of its clients; that is, carrying a full understanding of that cooperation to the distributors and consumers of their products.

3. This policy of publicity has been carried out by the bureau and its various groups of clients from its inception—now a matter of four years—and I am pleased to advise that in this explanation of our service we have yet to find a consumer or a middleman who does not fully endorse all of our operations after they have been made clear to him.

4. There is one point in your suggestion of affiliation with your association which does not quite harmonize with our connection with our various clients, and that is that you recognize these groups of ours as "association," and therein lies the very distinctive difference between our form of cooperation and the usual form—the members of our groups are in no way identified with one another as an "association"; they are simply individual subscribers to this bureau's

service; but, of course, we can bring about constructive action with your association and this group of clients. To that end, as stated before, we will place the matter before them.

(Signed) JULIAN ARMSTRONG.

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753 [Copy.]

Market letter No. 722—Flaxseed-crushing industry—September 4, 1919.

REPORTED QUOTATIONS IN INDIANAPOLIS.

Subscribers #2 and 3 please reply.

Will the subscribers mentioned in the following letter please reply promptly, giving full particulars as to the prices that have been quoted by their agents in the territory mentioned?

NEW YORK, *September 2, 1919.*

From: F. K. Quine, American Linseed Co., New York.
To: Armstrong Bureau of Related Industries.
Subject: Quotations; Indianapolis.

Under date of August 29th our Indianapolis representative writes us as follows:

"In addition to Archer-Daniels quoting spot $2.13, the Ankeney people are quoting likewise. Met the Archer-Daniels agent yesterday and he informed me that rightly his price of $2.13 should go into effect next Monday. However, in view of the fact that there is very little spot oil being bought, he is quoting this price to the trade without any clauses."

We would be glad to have you bulletin both Archer-Daniels and Ankeney.

This information seems in line with that which we got as to subscriber No. 3's attitude in Detroit, where they seem to have been anticipating the change in their price from August to September.

Yours very truly,

(Signed) F. K. QUINE,
Manager Oil Sales Dept.

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754 [Copy.]

Market Letter No. 732—Flaxseed Crushing Industry—September 6, 1919.

REPORTED SALE OF OIL FOR SEPTEMBER DELIVERY AT A COUNCIL MEMBER'S OCTOBER PRICE.

All subscribers please reply.

A wire dated September 5th and received by us this morning, follows:

NEW YORK, *September 5, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Buyer here makes statement that he is offered contract for oil at October price and delivery, actual delivery to be made last half of Sept., by a member of crushers' council; please bulletin.

AMERICAN LINSEED CO.

NOTE BY THE BUREAU.—In order that there shall be no misunderstanding of the above and that all may reply promptly and clearly, the bureau interprets the telegram as follows:

A New York buyer claims that he is offered contract by the agent of one of the council members at the October price of that council member, the actual delivery of the oil to be made the last half of September.

This means that each council member must communicate with his New York representative so that this report may be authentically verified or denied.

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755 [Copy.]

Market Letter No. 734—Flaxseed Crushing Industry—September 6, 1919.

TENTATIVE REPLY TO MARKET LETTER #727, QUOTATIONS IN TERRE HAUTE, INDIANA.

The bureau infers from the following letter that subscriber #12 will reply further as soon as his representative's answer is received.

BUFFALO, N. Y., *September 5, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Acknowledging subscriber #1's inquiry relative to customer's report to the effect that our representative at Terre Haute had cut September and October oil at $2.04 R. B., presumably Terre Haute warehouse delivery and November forward at $1.97, we are writing our representative at this point and requesting an immediate reply, as they have no authority to quote anything under $2.14 R. B. for September, although $2.04 for October and $1.97 for November forward is right in line with our price list as filed. We can say at this time, however, that no sales have been reported to us for September at $2.04, although we are receiving orders right along from our representative at $2.14 basis.

Yours truly,

SPENCER KELLOGG & SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager.

756 [Copy.]

Market letter No. 735—Flaxseed crushing industry—September 8, 1919.

FURTHER ON REPORTED QUOTATIONS IN ZONE 2.

(See market letters #712, 717, & 729.)

MINNEAPOLIS, MINN., *Sept. 6, 1919.*

From: Archer-Daniels Linseed Co.
To: Armstrong Bureau of Related Industries.
Subject: Market letter No. 712.

We hand you herewith replies from our representatives in Detroit. If this is not what you want, please advise us more particularly.

Very truly yours,

ARCHER-DANIELS LINSEED CO.

DETROIT, MICH., *Sept. 4, 1919.*

ARCHER-DANIELS LINSEED CO.,
Minneapolis, Minn.

GENTLEMEN: Replying to your letter of September 1st, we wired you yesterday that Woodison has not bought any oil for several weeks. We delivered them twenty barrels on August 28th on contract at $1.72, invoice No. 1394, so that your source of information to the effect that we sold them oil on August 28th at $2.14 is dead wrong, nor did we quote them any such price.

Very truly yours,

DETROIT OIL & NAVAL STORES CO.

Dictated yesterday.
Another letter on same subject to-day.

(Signed) GEO. E. MOSER, Jr.

DETROIT, MICH., *Sept. 4, 1919.*

ARCHER-DANIELS LINSEED CO.,
Minneapolis, Minn.

GENTLEMEN: Referring to the report that we sold Woodison some oil August 28th under the prevailing market price, I succeeded in running this down, and I find that the American's representatives here is responsible for the error in reporting this information. Woodison on that day did buy ten barrels from one of the jobbers at a confidential price of $2.14. The same day we delivered twenty barrels on contract, sold several months ago. This is simply another case where a salesman flew off half-cooked and reported information which was not correct, although the salesman in the particular case had been selling linseed oil for twenty-five years.

Very truly yours,

DETROIT OIL & NAVAL STORES CO.,

(Signed) GEO. E. MOSER, Jr., *Manager.*

757 [Copy.]

Market Letter No. 738—Flaxseed Crushing Industry—September 10, 1919.

REPORTED SALE TO JOHN DEERE WAGON COMPANY, MOLINE, ILL.

All subscribers please reply.

Will all subscribers kindly state promptly whether or not they have made any quotations or sales to the above?

CHICAGO, ILL., *September 9, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On September 2nd we quoted the John Deere Wagon Company, Moline, Illinois, a price of $2.10 per gallon on one carload of raw linseed oil in barrels for September shipment. This morning we have a letter from them in which they say "We are able to buy this car of oil at a better price than quoted by you from other parties."

Will you be good enough to bulletin this in the usual way?

Yours very truly,

HIRST & BEGLEY LINSEED CO.,
(Signed) REQUE.

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758 [Copy.]

Market Letter No. 739—Flaxseed Crushing Industry—September 10, 1919.

COMPILATION REPORT—MARKET LETTER #713, QUOTATION TO U. S. GUTTA PERCHA PAINT COMPANY, PROVIDENCE, R. I.

In the file of replies on above, completed this day, all subscribers state in effect that they have neither quoted nor sold the above concern recently.

The letter published below seems to indicate that the sale consisted of resale oil:

MINNEAPOLIS, MINN., *Sept. 5, 1919.*

From: Archer-Daniels Linseed Company.

To: Armstrong Bureau of Related Industries.

Subject: Quotation to U. S. Gutta Percha Paint Company, Providence, R. I.

1. In reply to market letter 713 would say that as a result of an inquiry as to whether he had made any sale to the U. S. Gutta Percha Paint Company, we today received wire from our agent, N. S. Wilson, Boston, Mass., reading as follows:

"Replying letter second did not quote Gutta Percha at 2.10 told us they bought resale oil this."

2. As we did not quote the U. S. Gutta Percha Paint Company direct and as no other agent of ours was in a position to quote

them we believe that we can truthfully say that on or about the 27th of August, 1919, we neither quoted or sold this concern.

ARCHER-DANIELS LINSEED COMPANY.

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759 [Copy.]

Market Letter No. 740—Flaxseed Crushing Industry—September 10, 1919.

REPORTED QUOTATION IN KANSAS CITY, MO.

Subscriber #12 please reply.

DES MOINES, IOWA, 9/6/19.
(Received by bureau Sept. 8th and returned for necessary revision.)

From: Ankeney Linseed Mfg. Co., Des Moines, Iowa.
To: Armstrong Bureau of Related Industries, Chicago.
Subject: Price of oil at Kansas City, Mo.

Will you please bulletin Kellogg & Sons in reference to their price at Kansas City on August 27th, as stated by our Kansas City agents, as follows:

"The Swan Mfg. Co. are just in receipt of your invoice of 8–27, your #006465, covering 1 bbl. linseed oil delivered under date of 8–27, at which time Swan had a price from Abner Hood Chemical Co. of $2.13 per gallon. We told them that we would take care of them at the same price, and our order was reported to you without the notation to hold up billing until September. Will you kindly send them a corrected invoice on the basis of $2.13 per gallon?

We will hold making corrected invoice to this concern until we have report through you from the Kellogg Company.

This seems to be similar to the Indianapolis case, where some of the crushers' agents were giving the trade the benefit of their September price a few days before its going into effect.

Yours very truly,

(Signed.) H. E. ANKENEY,
Sec'y. & Treas.

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760 [Copy.]

Market Letter No. 742—Flaxseed Crushing Industry—September 11, 1919.

RUBBER VERSUS GOOD BACKBONE.

(See market letter #740.)

SEPTEMBER 11, 1919.

From: Julian Armstrong, Armstrong Bureau of Related Industries.
To: Mr. H. E. Ankeney, sec'y-treas., Ankeney Linseed Mfg. Co., Des Moines, Iowa.
Subject: Your communication of September 6th on price of oil in Kansas City, which letter is incorporated in market letter #740.

1. Although the bureau has duly published your letter above referred to, Mr. Ankeney, the writer cannot help but take very great exception to the weakness of your sales policy as exemplified by that communication.

2. You will see at once that if we permit our agents to meet our competitors' prices and back that policy with the support of our chief executives, as is evidently true in your proposed plan of procedure, we are just naturally taking the backbone out of our sales force and substituting a rubber composition.

3. One of the very decided returns from this service is the development of individual thought and action giving to each manufacturer and merchandiser that all important accurate market information which enables him to place his own valuation on his merchandise and his merchandising ability, and that you will admit is ideal business.

4. If on the other hand any subscriber to this service is using this market information as an actual means, if not an actual incentive, to do as the other fellow is doing, then we are indeed failing in our purpose with that subscriber of instilling this all important principle, as I have stated.

5. The great trouble to-day with American business and labor is that we lack independent thought and action, and we venture this letter, which we will also publish to the council in the hope that you will fully subscribe to our views and will further support this principle by conveying this independent action idea not only to your Kansas City agent but to all those who represent you who may at once show this same disposition.

(Signed) JULIAN ARMSTRONG.

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761 [Copy.]

Market Letter No. 745—Flaxseed Crushing Industry—September 12, 1919.

FINAL REPLY TO MARKET LETTER #727—QUOTATIONS IN TERRE HAUTE, INDIANA.

(See also market letter #734.)

BUFFALO, N. Y., *September 10, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Our Terre Haute representatives now advise that they have not made any such prices as originally reported in market letter #727. Evidently somebody had been misinformed.

Yours truly,

SPENCER KELLOGG & SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager.

762 [Copy.]

Market Letter No. 748—Flaxseed Crushing Industry—September 13, 1919.

REPORTED SALE TO STANDARD, COOPER, BELL CO., CHICAGO.

All subscribers please reply.

MILWAUKEE, WIS., *September 12, 1919.*

To: Armstrong Bureau of Related Industries, Chicago, Ill.
From: William O. Goodrich Company.
Subject: Quotation to Standard, Cooper, Bell Co., Chicago.

On Sept. 9th our Chicago representative was informed by Standard, Cooper, Bell Company, of Chicago, that they had bought one car of linseed oil in cooperage, direct from crusher, at $1.93, raw basis, for October delivery, and the option on a second car for same price and delivery.

Inasmuch as this price is out of line with any of the filed prices of council members, we request that you bulletin this letter to all subscribers to ascertain if these statements are correct.

Yours very truly,

WILLIAM O. GOODRICH COMPANY.

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763 [Copy.]

Market Letter No. 749—Flaxseed Crushing Industry—September 13, 1919.

REPLY TO MARKET LETTER #746, REPORTED QUOTATION IN KANSAS CITY, MO.

BUFFALO, N. Y., *September 12, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Relative to the inquiry of subscriber #2 regarding their Kansas City representative's report of quotations made by the representative of this company to the Swan Manufacturing Company prior to September 1st:

It is quite evident that the individual talking for the Swan Manufacturing Company was correct in his claim that they have been quoted a price of $2.13 by the Abner Hood Chemical Company, our representatives, as he, like many other foxy buyers, referred to our quotation covering September delivery, and no doubt felt justified in using this price just so long as he refrained from mentioning the delivery involved in connection with the quotation. We have had a good many of our small customers who received invoices covering

that subscriber's report as published in bureau quotation report #52–A.

MINNEAPOLIS, MINN., *September 13, 1919.*

From: Midland Linseed Products Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago, Ill.
Subject: Letter #744.

1. We regret that we are unable to find your report No. 52–A and, therefore, do not know just what you refer to when you say that our sale to the Kuhn Paint & Varnish Works does not agree with the bureau's records published in quotation report 52–A.

2. We have, however, looked up the carbon copy of our change in price which we sent to you July 26th and find that our regular published price, f. o. b. Houston in carload lots was $2.24 per gallon, basis raw, and this price was not changed until quite a number of days after the order was taken.

3. If, therefore, your report 52–A does not agree with our records, it is an error in your report and not in the report we have sent you, as the price at which the sale was made conforms exactly with our regular published price and with the notices we have sent you showing our regular published price.

4. We will appreciate it if you will notify the other subscribers to the bureau to this effect.

Yours very truly,

MIDLAND LINSEED PRODUCTS CO.

NEW YORK, *September 13, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In reply to market letter #744, subject quotation or sale to the Kuhn Paint and Varnish Works.

We shall have to apologize for having made the request we did for information with relation to this sale, as we did so on the basis of having made an erroneous quotation ourselves. We quoted $2.22, which was our filed price f. o. b. New York, $2.26 f. o. b. Houston. This was an error, as Houston is in zone #4, taking a price 4¢ over zone #1 or 2¢ over zone #3.

Yours very truly,

(Signed) F. K. QUINE,
Manager Oil Sales Dept.

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767 [Copy.]

Market Letter No. 753—Flaxseed Crushing Industry, September 16, 1919.

SUPPLEMENTARY REPLY TO MARKET LETTER #727, QUOTATIONS IN TERRE HAUTE, IND.

See also market letters #734 & 745.

Subscriber #1 please reply.

The request in following that the inquiring subscriber give further information as to this reported quotation seems quite justified on the

part of subscriber #12, and we have no doubt that the council member referred to will be glad to comply:

* * * * * * *

BUFFALO, N. Y., *September 15, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We are now in receipt of a letter from Mr. R. B. Reeder, the senior member of the concern representing us in Terre Haute, Ind., who reports as follows:

"In reply to yours of the 10th will say that we have only quoted one concern on future oils and this was the Smith-Allsop Co. In the endeavor to verify our quotation, the writer called them up this morning and asked them if they remembered the price he had quoted them and they reported that they did not know for sure just what he had quoted but that they did not think it was $2.04 RB for September delivery. We feel sure that you know that we would not take the liberty of quoting future oil without first receiving instructions from your office. We have, however, in the last few days informed customers when they did inquire of us, that our price was $2.14 September, $2.04 October and $1.97 November forward which information we received in your wire instructions to us and we feel confident that we have deciphered your wire correctly.

"If the information you received, that one of your representatives or brokers was, or is, quoting September oil at $2.04, I would candidly say that it did not come through or from your Terre Haute representative. We have become very curious and would like to know if there is any possible way of finding out just where this information did come from, as we feel sure that some one is endeavoring to unload a crime on us of which we are not guilty.

"R. B. REEDER AND CO.,
"By R. B. REEDER."

Under the circumstances, will the inquiring subscriber be kind enough to give us a little more information regarding the source of the report to the effect that our Terre Haute, Ind., representative did quote certain trade a price of $2.04RB for September warehouse delivery, as we are just as anxious to clear the matter to the satisfaction of our representatives who resent the accusation, as they themselves.

Yours truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) V. H. HUNTER, *General Sales Mgr.*

768 [Copy.]

Market Letter No. 757—Flaxseed-Crushing Industry—September 22, 1919.

FURTHER REPLY TO MARKET LETTER #740, REPORTED QUOTATION IN KANSAS CITY, MO.

(See also market letter #749.)

BUFFALO, N. Y., *September 19, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Market letter #740.

GENTLEMEN: With further reference to the report as made by the Kansas City representative of subscriber #2, relative to a claimed quotation as made by our Kansas City representative to the Swan Manufacturing Company, we offer the following, particularly for the benefit of the inquiring subscriber, report as made by our Kansas City representative:

"A day or two ago we received copy of your market letter #740 from the Armstrong Bureau, and for the life of us we do not recall quoting a price on linseed oil to the Swan Mfg. Co., for this concern is dominated by the people who represent Ankeney in this market, and if they inquired price of linseed oil from us, we would only take it that Ankeney agents were trying to get posted. A concern of this character is not entitled to the* carload price, and we would refer them to some jobber, so, reading between the lines, we would infer that the Ankeney agents were passing on some information whose authenticity we would doubt, for no one in our office has any recollection of quoting the Swan Mfg. Co. a price on linseed oil."

Yours truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager.

NOTE BY THE BUREAU.—(*) Since the phrase "the carload price," as referred to by subscriber #12's Kansas City representative, so distinctly refers to the carload price of that particular company, the bureau is not taking exception to the phraseology in this particular case.

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769 [Copy.]

Market Letter No. 761—Flaxseed Crushing Industry—September 24, 1919.

COMPILATION REPORT—MARKET LETTER #743, COMMENT ON MARKET LETTERS #722 & 736—REPORTED QUOTATIONS IN INDIANAPOLIS.

American Linseed Company (9/13/19):

"We have always held people strictly to the contract stipulations and we would not think of anticipating the delivery of oil which

was bought for October in September under present conditions. However, it might be possible that if our price for October was $2.12 and our price for September 10¢ less, we would be entirely agreeable to a customer anticipating the delivery of the future sale. There could be in our opinion no criticism of this.

"It has been demonstrated that at Indianapolis deliveries were made in August of oil at prices which were being quoted for September. We think this a very bad practice and are entirely in accord with the position taken by subscriber #12."

Ankeney Linseed Mfg. Co. (9/19/19):

"We expect to stick strictly to our filed prices with the bureau in making deliveries of oil for September, or any of the forward months.

"It is true that our Indianapolis agent made deliveries of two barrels in August at our September price, meeting a price that he was 'dead sure' was made by the representative of another mill. He had no such instructions from ourselves, however, in making such sale. In fact, we had not yet advised him, as we reported in our recent letter, that there would be any lower prices for September. He got all this information from the trade. This agent has since received instructions to stick strictly to our prices which we give him from time to time, and to first report to us any lower quotation that he may be advised of."

Archer-Daniels linseed Co. (9/13/19):

"In reply to market letter #743 from subscriber #12 we wish to object to the statement made that our agent was selling oil during the last few days of August at our September prices. Subscriber #12 has taken for granted certain conclusions from statements made in our letter written on the subject a few days ago. If you will refer him to our letter on the subject yesterday quoting message from our Indianapolis agent it should be plain that we have not in any way overstepped our quotations on filed prices.

NOTE BY THE BUREAU.—Letter referred to in the last sentence of above letter was published in market letter #750.

Wm. O. Goodrich Company (9/15/19):

"We adhere strictly to the terms of our contract in making deliveries of oil within the specified time as stated in the contract. If this company has deviated from this policy in a single instance in delivering oil ahead of time it has not yet come to the attention of this office.

"We are taking this opportunity to again call the attention of our agents to this matter and have issued instructions to them that this policy be rigidly enforced.

"As for falling behind and not delivering oil in the specified time, we have on a number of occasions not been able to get out all shipments contracted in a certain period. This, you must realize, is contingent upon certain conditions, such as labor, inability to secure railroad equipment, and conditions beyond our control. It is not a frequent occurrence, yet it does happen occasionally as with all manufacturers. We realize that by being behind on deliveries ac-

cording to promised shipping date has a tendency to react on the customer and make him feel that he is entitled to deliveries ahead of time if he must bear the burden in the former case. With this effect on the consumer in view, we have made it a point to see that our deliveries are made within the time specified."

770 Hirst & Begley Linseed Co. (9/13/19):

"On all contracts made by us for future delivery the actual delivery is confined to the months covered by the contract period. No customer will be allowed to draw on October contracts during September, and this interpretation applies to any other period."

The Mann Bros. Co. (9/22/19):

"We do not sell oil for delivery during any months at a variation from our filed prices. If on occasions we have made such sales, we have promptly filed a new price covering the sale. We can not interpret a November–April price as applying to the month of October. If oil is going to be sold in October at the crusher's filed November–April price, this crusher making such sales should file his price as October to April, according to our point of view."

Midland Linseed Products Co. (9/16/19):

"We did not sell and deliver oil in August at our September price, and we do not intend to sell and deliver oil in September at our October price, nor deliver in October a portion of November–April contracts.

"We do not consider that this practice is materially different from cutting our regular established price, which would not be fair to our other customers and which we would consider very bad merchandising."

Minnesota Linseed Oil Co. (9/12/19):

"We neither approve of nor indulge in any such practices as are mentioned in the second paragraph of subscriber No. 12's letter, which you quote.

"We believe in making delivery during the time specified in the contract."

National Lead Company (9/13/19):

"The question propounded is pertinent because of alleged recent merchandising operations by one or more of the council members.

"The question is or at least should be considered as answered in advance by the filed quotations of the respective council members with the bureau meaning just what they represent, and if they do not mean that, then what's the use?"

Northern Linseed Oil Co. (9/13/19):

"All contract deliveries made by us are in strict accord with the terms of our contracts, and all contracts are made according to information filed with your bureau as to prices, terms, etc."

Red Wing Linseed Oil Co. (9/13/19):

"If we sell a customer oil at our filed quotation for October shipment, we would not make delivery on such contract during September, or, in other words, prior to period of delivery agreed upon."

The Sherwin-Williams Co. (9/18/19):

"This department does not regularly quote the trade, as all of our sales are confined to the Sherwin-Williams factories, and we would therefore not be prepared to offer oil in the various markets in the manner brought out in subscriber No. 12's letter of September 10th."

The Toledo Seed & Oil Company (9/13/19):

"We are firmly opposed to the practice of delivering oil ahead of the contract period, especially when the future oil is selling at a discount under the spot.

"We trust this matter will be taken up by the council and a firm stand taken in the matter."

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771 [Copy.]

Market letter No. 765—Flaxseed crushing industry—September 25, 1919.

REPORTED SALE TO SOUTHERN COTTON OIL COMPANY, SAVANNAH, GA.

All subscribers please reply.

BUFFALO, N. Y., *Sept. 24, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Yesterday we quoted, through our Savannah agents, the Southern Cotton Oil Company, of Savannah, on one tank of linseed oil, shipment before the 8th of October, at our price of $1.83 per gallon, basis raw oil in tank cars, direct shipment.

We are in receipt of a telegram to-day from our Savannah agents stating that the Southern Cotton Oil Company bought this tank for quicker shipment and at a lower price.

Kindly bulletin the various subscribers in an endeavor to ascertain which one, if any, made the sale in question.

Yours very truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) V. A. ACER,
Linseed Oil Department.

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772 [Copy.]

Market letter No. 766—Flaxseed-crushing industry—September 26, 1919.

MORE ON THE SUBJECT OF COOPERATION WITH THE NATIONAL PAINT, OIL, AND VARNISH ASSOCIATION.

(See market letters #716 & 721.)

SEPTEMBER 25, 1919.

From: Julian Armstrong, Armstrong Bureau of Related Industries.
To: Mr. E. J. Cornish, president National Paint, Oil, & Varnish Assn., 11 Broadway, New York City.
Subject: A further reply to your letter of the 2d authorized at the last meeting of the Linseed Crushers' Industrial Council.

1. In behalf of our clients in the council above referred to, Mr. Cornish, the writer is authorized to advise you that at our last meeting in New York on Thursday, September 18th, the entire correspondence between your association and this bureau was carefully reviewed, and the suggestions which you made covering the matter of furnishing to your association the statistical information requested was given full consideration.

2. It was pointed out that much of the general statistical information which you suggested should be so reported was not now being gathered by this bureau, as it is, as you know, market information which is officially collected and published by outside sources.

2. The general suggestion emphasizing the public service result met with the council's full approval, as it is quite in keeping with the efforts of this council in its cooperative work under the direction of the Armstrong Bureau.

4. The meeting, however, was clearly averse to the intimate alliance with your statistical bureau, as suggested, possibly because of the fact that our group is not altogether in sympathy with the association plan of cooperation, and prefers to maintain and emphasize their present identity as individual subscribers to this cooperative service.

5. On the other hand, the meeting was quite in sympathy with any amplification of the present exchange of statistical information which would work out to the mutual advantage of both buyer and seller, and to that end the bureau is commissioned to suggest for the consideration of your association an exchange of statistics.

6. That is, the linseed crushers would be glad to authorize this bureau to furnish to your group of buyers certain statistical information of interest to them as buyers in exchange for similar statistical information from those buyers which would be of interest to our group as sellers; and you will appreciate, I am sure, that on some such plan as this very great benefits could be worked out. To that end, however, it would probably be a point in question whether or not your association members, under their plan of cooperation, could assure our group of subscribers the same full and accurate market information which we could assure your group of buyers were this exchange of information decided upon.

7. I take occasion to apologize for my inability to hand this communication to you in time for presentation before your meeting this week. Under the circumstances I should be glad to have you handle it in any manner which you may be prompted to do, and in behalf of our clients I can assure you of their sincere interest in cooperating with you on our suggested basis.

(Signed) JULIAN ARMSTRONG.

773 [Copy.]

Market Letter No. 767—Flaxseed Crushing Industry—September 26, 1919.

Excerpt from minutes of September 18 meeting:

22. Mr. Warner brought up a very interesting point, as to whether or not a revision of price on the part of any council member had obtained in the past through such company having in hand a substantial order at materially lower prices than their last reported quotations as an incentive to such revision.

23. The issue here was more one of ethics, and as such was fully discussed, but no conclusions were attempted nor arrived at, excepting that it was evidently the sense of the meeting that this point of ethics should be observed so that any actually unfair merchandising policy might not result.

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774 [Copy.]

Market Letter No. 771—Flaxseed Crushing Industry—September 27, 1919.

ANOTHER REPORT OF AN OCTOBER PRICE FOR SEPTEMBER DELIVERY.

All subscribers please reply.

CHICAGO, *September 26, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We are today in receipt of a letter dated the 25th, from the Schnaible Drug Co., La Fayette, Indiana, part of which reads as follows:

"Wish to advise that we are quoted linseed oil in barrel lots at October price, viz 1.87 for raw, prompt shipment."

It does look as tho' somebody is offering to ship oil in September at October prices, and wish you would bulletin the council members in regard to this quotation.

Yours very truly,

HIRST & BEGLEY LINSEED COMPANY.

(Signed) REQUE.

775 [Copy.]

Market Letter No. 772—Flaxseed Crushing Industry—September 29, 1919.

REPLY TO MARKET LETTER #753, QUOTATIONS IN TERRE HAUTE, IND.

(See also market letters #727, 734, & 745.)

NEW YORK, *September 26, 1919.*

From: F. K. Quine, American Linseed Co., N. Y. City.
To: Armstrong Bureau of Related Industries, Chicago.
Subject: Further, in relation to market letter #753.

Our agent at Indianapolis, who also handles business at Terre Haute, stated under date of September 24th that the information relative to the course of subscriber #12 in quoting August delivery at their September price was given by one of our customers at Terre Haute, the Smith-Alsop Paint & Varnish Co. Mr. Hoffman feels certain that because of his relations with this company they would not tell him an untrue story.

Mr. Hoffmann intimates that he has every belief in the squareness of the Spencer-Kellogg Co., but questions the discretion of their Terre Haute agent.

Yours very truly,

(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

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776 [Copy.]

(Subdiv. 4, Art. V.)

Market Letter No. 777—Flaxseed Crushing Industry—October 1, 1919.

DELAY IN REPORTING PRICE CHANGES THROUGH THE BUREAU.

All subscribers please reply.

The bureau has recently been furnished evidence indicating that council members are not living up to the letter and the spirit of the service contract in the matter of furnishing the bureau immediate notice of changes in their respective prices.

This question has been touched upon in the past and it has never been lost sight of by the bureau, but recent developments have obtained which indicate a possible violation of the bureau's rules covering this obligation.

This is a positive notification to all council members that they will be held strictly to a full interpretation of the terms of the service contract covering the exchange of this market information. If there are any violations, action will be taken at once.

Will all subscribers please acknowledge receipt of this market letter, advising the bureau that steps have been taken by them to see that the individual, or individuals, in their organization responsible for the dispatch of this information has been substantially impressed with the serious nature of this complaint and the necessity for guarding against any future cause for like complaints.

The moment a quotation to your trade has left your hands it constitutes a basis for your immediate advice to the bureau to the same end.

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777 [Copy.]

Market letter No. 779—Flaxseed crushing industry—October 2, 1919.

Subscriber #6 Explains Reported Quotations in New York and Richmond Territories.

CHICAGO, *Sept. 26, 1919.*
(Wire sent 4.49 p. m.)

MIDLAND LINSEED PRODUCTS CO.,
Minneapolis, Minn.:

A council member reports your quoting since yesterday dollar seventy-two, November forward, Richmond zone, also New York, while we received your wire to-day changing price doja nosep ark. Kindly investigate and wire advice early to-morrow.

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

MINNEAPOLIS, MINN., *Sept. 27, 1919.*
(Wire received 12.12 p. m.)

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Reduced price late Thursday afternoon; message to you sent first thing in morning.

MIDLAND LINSEED PRODUCTS CO.

CHICAGO, *September 27, 1919.*

Subscriber: Midland Linseed Products Co.
From: Armstrong Bureau of Related Industries.
Subject: Your wire of this date.

1. The message sent us Friday morning and to which you refer in your telegram of this date, reached us at 11.35 a. m. and was promptly bulletined, but this is not the only point in our wire to you of last night which seems to require your investigation.

2. As we understand it, your established differential for Richmond is 3¢ over zone 1, and since your wire quoting reduction in your

prices gave $1.70 for zone one, it would naturally make your price in Richmond $1.73. Your reported quotation in New York (zone 3) is, of course, according to that last filed list.

3. Will you kindly wire us particulars on this on Monday morning so that we may be able to clear this entire matter?

(Signed) C. ROSENFELS.

MINNEAPOLIS, MINN., *Sept. 27, 1919.*

From: Midland Linseed Products Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago, Ill.
Subject: Reduction of Thursday, September 25.

1. We acknowledge receipt of your message this morning advising us that a council member reports that we were quoting since
778 the 25th at $1.79, November forward, Richmond zone, also New York, while you received our wire changing the* price on the 26th.

2. In reply we have wired you that we reduced our price late Thursday afternoon and wired you the first thing Friday morning, notifying you of the reduction in price. The messages were sent out so late in the afternoon that there would not have been time to relay the* price before the close of business.

3. In this connection we wish to state that some of our customers advised us a day before the last decline in price on the part of our competitors that the** price was going to be reduced 10 or 15 cents per gallon within 48 hours. Furthermore, we received word from several of our agents that our competitors had reduced prices several hours before we received your message notifying us of the decline in price, and you must, therefore, have either delayed in relaying the message or competitors must have delayed in notifying you of the change in price.

Yours very truly,

MIDLAND LINSEED PRODUCTS CO.

CHICAGO, *September 29, 1919.*

From: Julian Armstrong, Armstrong Bureau of Related Industries.
To: Midland Linseed Products Co., Minneapolis, Minn.
Subject: Your letter of the 27th.

1. We have your communication above referred to, and we believe the information submitted will be further amplified by your reply to our letter of the 27th, which crossed your communication above referred to in the mail, and which called for a telegraphic reply. We are therefore withholding publication of your September 27th letter.

2. The writer, however, is particularly interested in the information contained in the third paragraph thereof, as it bears directly upon full and complete cooperation of the various council members with the terms of the service contract.

3. This matter of forecasting market revisions has been pretty generally covered in our past discussions; it is also of record that the practice of a seller reducing his prices to meet a buyer's offering, as also covered in the discussions at the New York meeting, bears again on this same matter which involves the ethics of the work rather than the letter of the contract.

4. Therefore, in view of the fact that these matters have been sufficiently covered in the general discussions at our meetings, it would seem in order for the bureau to actively follow up your reports, if you will be kind enough to give us some more definite information. I am sure you will appreciate the desirability of thus cooperating with the bureau is order to correct or clear any of these matters.

(Signed) JULIAN ARMSTRONG.

MINNEAPOLIS, MINN., *Sept. 30, 1919.*

From: Midland Linseed Products Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago, Ill.

1. Replying to your favor of the 27th regarding the report that we were quoting in Richmond at $1.72, the same in New York, zone 3.

2. Our price in Richmond was $1.73 or 1¢ over the* New York price, which is in accordance with our regular authorized price, and we have neither sold or quoted on a lower basis until to-day, when we reduced our price in accordance with telegraphic notice already sent to you.

3. With regard to the time when the telegram was sent. We note that you did not receive it until 11.35. The telegram was sent
779 from this office before 9 o'clock and should have been received by you at least two hours earlier than you claim to have received it. In this connection we wish also to call your attention to the fact that we did not receive a notice from you announcing the reduction in prices by our competitors until about 3 o'clock in the afternoon, and we received reports from our agents in the forenoon that competitors had already reduced prices, so our agents learned of the prices and reported them to us at least three hours earlier than you did, from which it would appear that the service the telegraph companies are giving you is very inferior service.

Yours very truly,

MIDLAND LINSEED PRODUCTS CO.

NOTE BY THE BUREAU.—

(*) As the above references to "the price" and "the New York price" so obviously refer to subscriber No. 6's prices, the bureau has passed same in these instances.

(**) In this case the statement that "the price was going to be reduced" very evidently emanated from the trade.

780 [Copy.]

Market Letter No. 781—Flaxseed Crushing Industry—October 2, 1919.

REPORTED SALE TO MICA INSULATOR CO., NEW YORK.

All subscribers please reply, giving details of any quotations or sales made to the above.

NEW YORK, *September 30, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On Saturday, September 27th, we quoted the Mica Insulator Co., office at New York, factory at Schenectady, linseed oil for October delivery at $1.86 per gallon and for November forward delivery at $1.72 per gallon, carlots, direct shipment; in tank cars, 5¢ less; varnish oil 3¢ over; and are informed that they could and did buy at a lower price.

Will you kindly bulletin the council members and ask if any sold or quoted at lower than this price.

Yours very truly,

(Signed) F. K. QUINE,
Manager Oil Sales Dept.

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781 [Copy.]

Market Letter No. 783—Flaxseed Crushing Industry—October 2, 1919.

REPORTED SALE TO PRATT & LAMBERT, INC., BUFFALO, N. Y.

Subscriber #6 please reply.

BUFFALO, N. Y., *September 30, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: During the latter part of last week, when the filed price of subscriber No. 6 was $1.70 per gallon, basis raw in barrels, zone 1, with usual differentials for other zones, they made a sale of considerable oil in tank cars to Pratt & Lambert, Inc., of Buffalo, at $1.65 per gallon, basis raw in tank cars, when their prices as filed with the bureau was $1.66 for Buffalo shipment.

We would like to hear from the subscriber in question relative to this sale.

Yours very truly
(Signed) SPENCER KELLOGG AND SONS, INC.
V. A. ACER, *Linseed Oil Department.*

782

[Copy.]

Market Letter No. 788—Flaxseed Crushing Industry—October 6, 1919.

REPLY TO MARKET LETTER #783, REPORTED SALE TO PRATT & LAMBERT, INC., BUFFALO, N. Y.

MINNEAPOLIS, MINN., *October 4, 1919.*

From: Midland Linseed Products Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, 11 S. La Salle St., Chicago.
Subject: Market letter #783.

Replying to your market letter No. 783:

1. It is not true that we sold to Pratt & Lambert linseed oil at $1.65 per gallon, basis raw, in tank cars, when our filed price was $1.66 for Buffalo shipment. The facts in the case are as follows:

2. Our Cleveland agent wired us that he had sold Pratt & Lambert four cars of linseed oil. We immediately wired our agent that we had entered the order at $1.66, and upon being advised by him that he had entered the order at $1.65, we refused to accept the business at less than $1.66, and as Pratt & Lambert would not confirm the purchase at $1.66, the order was cancelled, we not being willing to cut our price or to make up the 1¢ difference in any indirect manner.

3. After we reduced our price, we sold Pratt & Lambert four cars at $1.59, which was not reported in our daily sales reports as same was offset by the report which had already been made.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

783

[Copy.]

Market Letter No. 789—Flaxseed Crushing Industry—October 6, 1919.

REPORTED QUOTATION TO HALL & KNIGHT, LEWISTON, MAINE.

Subscriber #6 please reply.

OCTOBER 3, 1919.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
11 S. La Salle Street, Chicago, Ill.

DEAR SIRS. Will you kindly ask the Midland Linseed Products Co. if they quoted on October 2d, Hall & Knight, Lewiston, Maine, under their filed price. Our Boston representative advises that upon quoting these people $1.89 f. o. b. Portland, Maine, was advised that that had a price from Midland in front of them at $1.84, f. o. b. Portland, Maine.

Yours very truly,

AMERICAN LINSEED COMPANY.
(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

784 [Copy.]

Market Letter No. 791—Flaxseed Crushing Industry—October 6, 1919.

FAIR PLAY AND FAIR JUDGMENT.

It has been the bureau's experience that the merchandising conditions of a falling market give the real acid test to those individual characteristics on which the rules of the service contract have no direct bearing.

The exact measure of cooperation forthcoming under this "test" indicates how sincerely we have endorsed the ethics of our work to date, and to a certain extent how far we have permanently advanced along the road of progressive business.

The falling market gives opportunities for transactions which, while securing the order, do not always measure up to the rule of fair play; and the test of all such, and whether or not they will stand the "acid test," is the reaction on the seller when he places himself in the position of his fellow competitors. If you can't give your contemplated transaction a clean bill of health when viewed from the standpoint of your competitors, don't make it.

That's fair play.

With a falling market, those who did not get the business are always prone to seek excuse for failure—that is human nature—and are quick to grasp as facts all "evidence" without regard to its origin.

These are times when the shrewd buyer—who has no use for fair-play methods and no recognition of the constructive value to American business of such cooperation as ours—proceeds to get out his pepper pot of suspicion and into the eyes of each salesman he shakes a full portion, with the irritating results of which we are now learning daily.

The check on this "source of suspicion" lies with each one of us and our individual handling of each situation marks our progress beyond the old order of things which we have all agreed should be left permanently behind. Selling action can seldom if ever be fairly based on statements from "the trade" and certainly not in justice to your fellow council members when you can get the truth promptly through the bureau.

If you must pass hasty judgment without first checking through the bureau, first place yourself in the position of that competitor and see then if you could thus convict "yourself."

That's fair judgment.

Give us fair play and fair judgment at all times on the part of all concerned and no one will lose money or self-respect.

It seems to the bureau that we might all cheer ourselves up a bit if we called the roll on this.

Replies will be published as received.

JULIAN ARMSTRONG.

785

[Copy.]

Market Letter No. 795—Flaxseed Crushing Industry—October 7, 1919.

COMPILATION REPORT—MARKET LETTER #771, ANOTHER REPORT OF AN OCTOBER PRICE FOR SEPTEMBER DELIVERY.

In the file of replies on above, just completed this day, all subscribers state in effect that they have neither quoted nor sold this company.

The following replies are being published, however, for what information they contain concerning the source of the reported quotation:

Ankeney Linseed Mfg. Co. (10/6/19):

"Our Indianapolis representatives say that they have neither quoted nor sold the Schnaible Drug Co. for several months. They say further that they would not be surprised if the $1.87 price had gone out of Indianapolis, judging by other prices which they know have been made there."

Archer-Daniels Linseed Co. (10/6/19):

"We have just received letter from our agent at Indianapolis and wish to quote from it as follows:

"'Relative to the Armstrong Bureau's inquiry about the quotation of $1.87 quoted to the Schnaible Drug Company of La Fayette, would advise that we did not quote these people and have not at any time. We would not be surprised if this quotation was made by Bolce Company of Cincinnati, as they had a card out along about this time quoting oil for prompt shipment (as we remember it) at about the price of $1.87.'"

786

[Copy.]

Market Letter No. 805—Flaxseed Crushing Industry—October 10th, 1919.

FURTHER RULING ON THE DISPATCHING OF DAILY MARKET INFORMATION.

(See market letter #777.)

The replies to the market letter above referred to, "Delay in reporting price changes through the bureau," indicate the need of further clearly understood regulations covering the matter, which will be a guide for each council member, and your acceptance and support of the following rule, which will stand until later revised or amplified at any regular meeting, is requested by return mail, with your signature to the extra copy attached.

Rule: To provide that the daily market information, as relayed by the bureau, shall at all times contain the fullest measure of "news value," it is agreed that no council member shall dispatch changes in his prices as last filed with the bureau to more than one agent or buyer without immediately thereafter, and before sending such information to any other agent or buyer, telegraphing such full and complete information to the bureau as otherwise provided in the service contract.

It is further agreed that the term "immediately" shall be construed to mean no greater lapse of time than thirty minutes in any case

Your notice of support of the above rule will signify that you have already so instructed those in your employ responsible for its faithful observance.

JULIAN ARMSTRONG.

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787 [Copy.]

Market Letter No. 809—Flaxseed crushing industry—October 11, 1919.

PARTIAL COMPILATION OF TELEGRAPHIC REQUEST FOR INFORMATION REGARDING REPORTED QUOTATION TO SCHENECTADY VARNISH COMPANY, SCHENECTADY, N. Y.

Subscribers #8 please reply.

Compilation of the telegraphic request for information published below, which is now completed, with the exception of a reply from subscriber #8, indicates that nine subscribers have neither quoted nor sold. Two additional replies are published below.

If subscriber #8's reply has not yet been forwarded it will, of course, be necessary to send it by return wire to the bureau, as requested.

[Telegram.]

OCTOBER 10, 1919.
(Recd. 5.30 p. m.)

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Illinois.

Have quoted Schenectady Varnish, Schenectady, New York, dollar fifty six, tanks, January forward. Claim can still buy from council member at ten cents under. Bulletin all subscribers by wire immediately at our expense.

SPENCER KELLOGG & SONS, INC.

[Night letter.]

(Sent to all except three council members.)

OCTOBER 10, 1919.

Kerec have quoted Schenectady Varnish, Schenectady, New York, dollar fifty-six, tanks, January forward. Claim can still buy from

council member at ten cents under that price. Please wire immediately whether or not you have made quotation, giving full particulars.

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

[Telegram.]

OCTOBER 11, 1919.
(Recd. 10.20 a. m.)

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Illinois.

We yesterday declined offer from Schenectady Varnish of dollar fifty-two in tanks, January forward, basis raw, and quoted them dollar fifty-six, basis raw, and sold them one tank February shipment at this price.

AMERICAN LINSEED COMPANY.

[Telegram.]

OCTOBER 11, 1919.
(Recd. 11.30 a. m.)

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Illinois.

Have not quoted Schenectady Varnish and not quoting anyone below our regular price.

MIDLAND LINSEED PRODUCTS CO.

788

[Copy.]

Market Letter #811—Flaxseed Crushing Industry—October 11, 1919.

REPORTED QUOTATIONS OF INTERIOR LINSEED COMPANY.

[Telegram.]

OCTOBER 10, 1919.
(Recd. 11.15 a. m.)

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Reliably informed Interior Linseed Company representing Archer and Midland openly quoting January forward warehouse dollar fifty-eight. Think have waited long enough for Midland's revised schedule. Wire both subscribers immediately and wire quick.

SPENCER KELLOGG & SONS.

[Telegram.]

(To Archer-Daniels and Midland-Linseed Pro. Co.)

OCTOBER 10, 1919.

Subscriber wires reliably informed your representative Interior Linseed Company openly quoting January forward warehouse dokzo. Please wire advice.

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

[Telegram.]

OCTOBER 10, 1919,
(Recd. 8.45, Oct. 11.)

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Our price St. Louis dollar fifty-nine direct, dollar sixty-two from stock. Have not authorized any lower prices.

MIDLAND LINSEED PRODUCTS CO.

[Telegram.]

OCTOBER 10, 1919,
(Recd. 4.27, Oct. 10.)

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Wired you yesterday ten thirty our price January September dollar fifty none, zone one. Have you notified council members?

ARCHER DANIELS CO.

[Telegram.]

OCTOBER 10, 1919.

TO ARCHER-DANIELS-LINSEED COMPANY.

Received and published wire referred to, but this does not give the requested information. Please advise further by wire.

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

OCTOBER 10, 1919,
(Recd. 8.43, Oct. 11.)

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Interior Linseed Company advise yesterday morning January September carload price dollar fifty none; Western Union claim you received same message at ten forty-one; many subscribers say you have not notified them of this.

ARCHER-DANIELS LINSEED COMPANY.

789 [Telegram.]

OCTOBER 11, 1919.
(Recd. 10.20, Oct. 11.)

Our representative all wired Wednesday morning to quote dollar sixty January September, zone one basis.

ARCHER-DANIELS LINSEED COMPANY.

[Telegram.]

OCTOBER 11, 1919.

TO ARCHER-DANIELS LINSEED CO.:

Your telegrams promptly relayed to all. Please reply specifically our wire tenth Interior.

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

[Telegram.]

OCTOBER 11, 1919.
(Recd. 10.55, Oct. 11.)

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Illinois.

Morning October ninth quoted October November December dollar seventy, January September dollar fifty-nine, zone one.

ARCHER-DANIELS LINSEED COMPANY.

[Telegram.]

OCTOBER 11, 1919.
(Recd. 10.50, Oct. 11.)

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Illinois.

Interior acknowledge by letter to-day receipt of your wire morning ninth advancing our price Jasep basis carco dokte ark.

ARCHER-DANIELS LINSEED COMPANY.

[Telegram.]

OCTOBER 11, 1919.

To ARCHER-DANIELS LINSEED CO.:

Please communicate with Interior immediately, reporting as requested prices they quoted October tenth January forward.

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

[Telegram.]

OCTOBER 11, 1919.
(Recd. 1.20, Oct. 11.)

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Illinois.

Interior, St. Louis, wire have not quoted or sold except at our listed price.

ARCHER-DANIELS LINSEED COMPANY.

Since the final telegram in this series still omits a specific statement of prices quoted by the Interior Linseed Co., the bureau has written subscriber #3 requesting full supplemental details by letter, which will be bulletined to the council promptly upon their receipt.

The above exchange of telegrams emphasizes the need for direct and complete replies to all inquiries which the subscribers elect to send through the bureau.

790 [Copy.]

Market Letter No. 815—Flaxseed Crushing Industry—October 13, 1919.

REPORTED SALE TO UNION PETROLEUM CO., PHILADELPHIA, BY REPRESENTATIVE OF SUBSCRIBER #8.

Subscriber #8 please reply.

OCTOBER 11, 1919.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
11 South La Salle Street, Chicago, Illinois.

GENTLEMEN: We are advised under date of October 9th that John G. Lewis & Bros. (National Lead Co.) sold the Union Petroleum Co. of Philadelphia on that date twenty barrels each November-December at $1.75 for the November portion and $1.65 for the December portion, notwithstanding that the price list as filed by this subscriber was on the basis of $1.72 R. B. direct shipment of $1.75 per warehouse delivery November-December, inclusive.

Will you please investigate as to whether or not we have been misinformed?

Very truly yours,

SPENCER KELLOGG & SONS, INC.
(Signed) W. H. HUNTER,
General Sales Manager.

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791 [Copy.]

Market Letter No. 819—Flaxseed Crushing Industry—October 14, 1919.

SUPPLEMENTARY INFORMATION ON REPORTED QUOTATIONS OF INTERIOR LINSEED COMPANY.

(See market letter #811.)

OCTOBER 13, 1919.

From: Archer-Daniels Linseed Co.
To: Armstrong Bureau of Related Industries.
Subject: Quotations made by our St. Louis representative.

On receipt of your message this morning:

"Please communicate with Interior immediately reporting as requested prices they quoted October 10th January forward."

we wired St. Louis for further particulars. Now on receipt of your letter of the 11th, we will write him that you want a letter giving complete details of all quotations made by the Interior Linseed Co. on the date in question, which as we remember, was on the 10th. We advised you that we had a wire from St. Louis stating that he had made no quotations or sales at less than our prices. We now

have his letter of October 11th which states: "We do not know where you got our report regarding sale of oil at less than your quotation, but suppose as usual our friend Kellogg has missed a sale of a few barrels and immediately jumps to the conclusion that we had cut the price. Our formal sales ticket sent to you is sufficient proof that we have not taken any business at the price mentioned." We advised him that it was charged that he had made sales January forward at $1.58.

Very truly yours,

ARCHER-DANIELS LINSEED CO.

P. S.—We now have the following telegram from the Interior Linseed Company:

"We have not quoted or sold any oil less than your wire instructions on October 10th or any other date."

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792 [Copy.]

(Subdiv. 6 & 7, Art. V.)

Market Letter No. 831—Flaxseed Crushing Industry—October 18, 1919.

COMPILATION REPORT—MARKET LETTER #802, REPORTED QUOTATION IN SALT LAKE CITY MARKET AT AN F. O. B. OMAHA PRICE.

From the file of replies on the above, completed this day, it is evident that the sale in question was made by subscriber #6.

Eight subscribers merely state in effect that they have neither quoted nor sold the above company.

The remaining replies are published below:

American Linseed Company (10/11/19):

"We have no record of having quoted nor did we sell the buyer in Salt Lake City market linseed oil in tank cars at $1.65 basis raw, or any other price f. o. b. Omaha.

"We take issue with subscriber #12 with respect to f. o. b. quotations in zone #1. As the writer has expressed himself previously and at the meetings, we can see no objection to quoting f. o. b. in zone #1 points at our zone #1 price, without regard to the point from which the shipment may be made."

Archer-Daniels Linseed Company (10/11/19):

"It has been the writer's understanding that oil could be quoted at all jobbing points in any zone, whether that jobbing point was a mill point or not, and under that impression we have quoted oil in Omaha and Kansas City the same price as f. o. b. Minneapolis. If we are wrong in this we will be glad to be corrected."

(10/15/19):

"In reply to our quotation in Salt Lake City at our f. o. b. Minneapolis price we received advice from the customer that he had bought at considerably less than our price."

Midland Linseed Products Co. (10/10/19):

"We sold a tank car of linseed oil on September 30th, f. o. b. Omaha.

"We do not know whether it is the customer subscriber No. 12 has in mind, as the subscriber does not mention the name. The sale was made at our regular published price. The letter of subscriber No. 12 is the first time we have known of anyone claiming that we did not have a perfect right to quote f. o. b. any point in the United States and in making the sale referred to we have only followed the practice of a number of other competitors, including, we believe, subscriber No. 12, although they may not have applied it to the particular customer in question."

(10/14/19):

"Replying further to your market letter No. 802:

"Our regular published price on September 30th for November delivery was $1.58 per gallon, basis bulk raw, f. o. b. zone 1."

Minnesota Linseed Oil Co. (10/10/19):

"It seems to us entirely in order to sell carload oil anywhere in zone 1 at a zone 1 price."

793 *Red Wing Linseed Oil Co.* (*10/10/19*):

"We have not quoted linseed oil in tank cars f. o. b. Omaha, Nebr., as mentioned in above letter, for shipment to points beyond; in fact we make all of our carload quotations either f. o. b. Red Wing, Minn., or f. o. b. Red Wing, Minn., freight allowed to respective zones from where we receive the inquiry, per our filed quotations with you."

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794 [Copy.]

Market Letter #835—Flaxseed Crushing Industry—October 20, 1919.

REPORTED QUOTATION IN BALTIMORE MARKET.

Subscriber #12 please reply.

As the reported offering, as per the following letter, does not seem to conform to this subscriber's last filed prices with the bureau, will he kindly give full particulars?

The bureau wishes to advise, in reply to the last sentence, that all information concerning prices quoted by various subscribers in the Baltimore market have been published as received.

MINNEAPOLIS, MINN., *October 18th, 1919.*

From: Archer-Daniels Linseed Company.

To: Armstrong Bureau of Related Industries.

Subject: Market price at Baltimore.

Our representatives at Baltimore, A. L. Webb & Sons, write under date of October 15th: "We wrote you several days ago that Spencer Kellogg was offering oil on January forward at $1.60. This information is authentic, and it came direct from Kellogg's agent to ourselves." We understand the filed list price for council member No.

12 at Baltimore is $1.61. Will you kindly advise us what information you have as to market price in Baltimore?

Very truly yours,

ARCHER-DANIELS LINSEED CO.

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795 [Copy.]

Market Letter #836—Flaxseed Crushing Industry—October 20, 1919.

STILL FURTHER INFORMATION ON REPORTED QUOTATIONS OF INTERIOR LINSEED COMPANY.

(See market letters #811 & 819.)

MINNEAPOLIS, MINN., *October 17th, 1919.*

From: Archer-Daniels Linseed Co.

To: Armstrong Bureau of Related Industries.

Subject: Reported sales or quotations made by the Interior Linseed Co., of St. Louis, Mo., on Oct. 10th.

We beg to give you below a copy of a letter received from the Interior Linseed Co., St. Louis, under date of October 15th, which we trust will be satisfactory to the council member who reported a disturbance in that market under date of the 10th.

"We have your letter of the 13th, regarding quotations we are supposed to have made on the 10th at less than 1.59 car lots St. Louis. We have no recollection of even having an inquiry on that date for car lots of oil and we are quite sure that we made no quotations. We do not know who started this 'big noise;' if we did we could make a pretty good guess as to just how it started. We don't know how we can make our denial any more emphatic than we have unless we furnish an affidavit covering the facts."

Very truly yours,

ARCHER-DANIELS LINSEED CO.

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796 [Copy.]

Market Letter #838—Flaxseed Crushing Industry—October 21, 1919.

STILL FURTHER REPLY TO MARKET LETTER #727, QUOTATIONS IN TERRE HAUTE, INDIANA.

(See also market letters #734, 745, 753, and 722.)

BUFFALO, N. Y., *Oct. 20, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Supplementing market letters No. 753, 727, 734, and 745.

GENTLEMEN: With further reference to inquiry as made by subscriber No. 1, your market letter No. 727 dated September 4th, we

are now in receipt of the following letter from the only customer to whom our Terre Haute, Indiana, representative had quoted future oil up to the time that this inquiry was made:

"As per our conversation over the phone, the writer does not remember, and to the best of his knowledge you did not quote oil at $2.14, which was your September price at the time for August delivery.

"Yours truly,

"THE SMITH-ALSOP PAINT & VARNISH CO.
"(Signed) G. W. FREDERICH, *Pres.*"

Yours very truly,

SPENCER KELLOGG & SONS, INC.
(Signed) V. H. HUNTER,
General Sales Manager.

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797 [Copy.]

Market Letter #842—Flaxseed Crushing Industry—October 22, 1919.

REPLY TO MARKET LETTER #815, REPORTED SALE TO UNION PETROLEUM CO., PHILADELPHIA, BY REPRESENTATIVE OF SUBSCRIBER #8.

OCTOBER 20, 1919.

From: National Lead Company, New York.
To: Armstrong Bureau of Related Industries.
Subject: Market letter No. 815.

DEAR SIRS: We regret that the facts are about as stated by Spencer Kellogg & Sons. Inquiry we have made of our Philadelphia office brings forth the following reply:

"Under date of October 9th we made sale to the Union Petroleum Company of 10 bbls. oil for Nov. delivery at $1.75 and 30 bbls. for Dec. delivery at $1.65. It is so noted on our report to you and since calling our attention to the matter because of complaint received by you, we have been wondering how the sale reported by us escaped your notice. This for the reason that you so frequently check us up on our daily sales report.

"To have sold this oil for December delivery at the price mentioned was wholly erroneous on our part and we can offer no explanation further than that we had just previously been quoting December and later months at 10¢ per gallon under our price for November. That fact and the confusion attending the frequent changes in our price for linseed oil as well as competitors' prices is the only approach to an explanation that we can offer."

We submit the foregoing as our reply to your market letter 815 with the added remark that the writer did not observe in the sales report received by us the irregularity which is now so obvious.

Yours very truly,

(Signed) C. T. NOLAN, *Manager.*

798 [Copy.]

Market Letter #855—Flaxseed Crushing Industry—October 23, 1919.

REPLY TO MARKET LETTER #835, REPORTED QUOTATION IN BALTIMORE MARKET.

BUFFALO, N. Y., *Oct. 22, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Reported quotation in Baltimore market.

GENTLEMEN: Referring to the inquiry as made by subscriber No. 3 relative to price quoted by our representative in the Baltimore market.

The circumstances in this particular case were identically described by said subscriber's Baltimore representative, but through circumstances that were entirely beyond our control. It seems that the telegraph company is wholly responsible in that they badly mixed up the code words that were used in several of the messages that we sent out on October 8th, and the first knowledge that we had of there being any mistake in connection with the forwarding of our message to the Baltimore representative was a sale of thirty barrels made in the Richmond market and reported to us by wire at the same price that we had instructed him to quote as our Baltimore basis. Immediately upon receipt of this wire we telegraphed him that we could not enter the order, but it later developed that we were committed beyond question. Just as soon as we had cleared the situation we covered the transaction involved through our letter of October 13th.*

For the benefit of all subscribers, the telegraph company mixed up several of our other eastern messages as well as the message that we forwarded to our San Francisco agency, with the result that our representatives accepted several transactions at prices that were not authorized. Incidentally, we later succeeded in making satisfactory explanations to all of these buyers who were kind enough to allow their purchases to stand at prices that were incorporated in our original wires.

Under the circumstances, we did not consider it necessary to advise the bureau.

Very truly yours,

SPENCER KELLOGG & SONS, INC.
(Signed) V. H. HUNTER,
General Sales Manager.

NOTE BY THE BUREAU.—(*) Subscriber #12's letter of October 13th, above referred to, was received and published in special sales report #23.

799 [Copy.]

Market Letter #858—Flaxseed Crushing Industry—October 23, 1919.

REPORTED SALE OF OIL TO THE COOK PAINT & VARNISH COMPANY AT SPECIAL TERMS.

All subscribers please reply.

MINNEAPOLIS, MINN., *Oct. 22, 1919.*

From: Midland Linseed Products Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago.

Will you kindly bulletin your subscribers to ascertain who sold a quantity of linseed oil to the Cook Paint & Varnish Co. during the past two weeks?

We are advised that Mr. Cook has purchased and that the reason he did not favor us with his order was because one of our competitors promised to help him out by shipping oil in advance of the contract time, it being our understanding that Mr. Cook placed an order for January forward and that he wanted delivery of some of this January oil during October, November, and December. We lost his business because we would not agree to these terms either directly or indirectly.

Will you please ascertain whether or not any of the parties who have sold Mr. Cook have made any such promises, either verbally or in writing, direct or implied?

Yours very truly,

MIDLAND LINSEED PRODUCTS CO.

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800 [Copy.]

Market Letter #861—Flaxseed Crushing Industry—October 24, 1919.

REPORTED QUOTATION TO GENERAL ELECTRIC COMPANY, SCHENECTADY, N. Y.

All subscribers please reply.

OCTOBER 22, 1919.

From: American Linseed Co., New York City.
To: Armstrong Bureau of Related Industries, Chicago, Ill.
Subject: Quotation, General Electric Co.

We quoted the General Electric Co., Schenectady, to-day on two tank cars each, January, February, and March, of next year at $1.58 in tank cars for an oil equivalent to subscriber #12 improved raw and subscribers Nos. 3 and 6, nonbreak. Our basis of quoting was $1.61 raw linseed oil in cooperage, plus 2¢ for the special oil less 5¢ for tank cars, and were informed that they had a lower price.

Please bulletin all the subscribers and ask if they quoted a lower price than this; and if so, how much. It is possible that some of our competitors outside of the council have quoted on this inquiry and it would be very interesting to clear the matter up.

Yours very truly,

(Signed) F. K. QUINE,
Manager Oil Sales Dept.

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801 [Copy.]

Market Letter #866—Flaxseed Crushing Industry—October 27, 1919.

REPORTED QUOTATION TO JONES & DILLINGHAM, SPOKANE, WASH.

All subscribers please reply.

OCTOBER 24, 1919.

To: Armstrong Bureau of Related Industries.
From: Archer-Daniels Linseed Co.
Subject: Quotation to Jones & Dillingham, of Spokane, Wash.

On October 14th, following request from Jones & Dillingham, Spokane, Wash., we wired them—

"Tank raw Jan. 1st shipment 1.65 Spokane"—

which was our list price in that market on that date. Messrs. Jones & Dillingham write us on October 17th: "We wished to favor you with this business but difference in price will not allow us at this time. We hope to favor you in the future."

Will you kindly learn if members of your bureau made quotation and sale to these people at this time; and if so, at what price.

Very truly yours,

ARCHER-DANIELS LINSEED CO.

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802 [Copy.]

Market Letter #876—Flaxseed Crushing Industry—October 28, 1919.

REPORTED SALE TO C. B. & Q. RAILWAY COMPANY, CHICAGO.

All subscribers please reply.

MINNEAPOLIS, MINN, *Oct. 27, 1919.*

From: Northern Linseed Oil Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago, Ill.
Subject: Sale to C. B. & Q. Railway, Chicago, Ill.

1. On October 24th we quoted the C. B. & Q. Railway Company, Chicago, on one tank car pure boiled linseed oil for prompt or November shipment at our regular filed price, freight allowed to Aurora, Ill. We were advised Saturday morning by the purchasing

department of the C. B. & Q. that they purchased this tank car of boiled linseed oil at $1.65 per gallon for boiled delivered Aurora.

2. Will you please bulletin subscribers to ascertain who made the sale?

Yours very truly,

NORTHERN LINSEED OIL CO.,
(Signed) J. W. BRUNETTE.

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803 [Copy.]

Market Letter #877—Flaxseed Crushing Industry—October 28, 1919.

REPORTED QUOTATIONS IN ST. LOUIS MARKET BY REPRESENTATIVE OF SUBSCRIBER #12.

Subscriber #12 please reply.

MINNEAPOLIS, MINN., *October 27, 1919.*

From: Archer-Daniels Linseed Company.
To: Armstrong Bureau of Related Industries.
Subject: Reported quotations made by subscriber #12 in St. Louis.

1. Our agent at St. Louis, Mo., wired us on October 24th as follows: "Kellogg quoting spot Nov. 1.73, Dec. 1.62, Jan. 1.53."

We immediately wired in reply as follows:

"All markets report Kellogg quoting St. Louis warehouse basis Oct.–Dec. 1.73, Jan.–Sept. 1.53."

2. Your last wired advices on subscriber #12's change in their price would show their October–December St. Louis warehouse raw cooperage price to be $1.73 and Jan.–Sept. 1.53.

3. We request that you write subscriber #12 asking them to investigate the situation and ascertain as to whether their agent at St. Louis was quoting less than their listed prices on or about Oct. 24th.

Very truly yours,

ARCHER-DANIELS LINSEED COMPANY.

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804 [Copy.]

Market Letter #878—Flaxseed Crushing Industry—October 28, 1919.

REPLY TO MARKET LETTER #859—REPORTED CONCESSION IN PRICE BY SUBSCRIBER #3.

MINNEAPOLIS, MINN., *Oct. 27, 1919.*

From: Archer-Daniels Linseed Company.
To: Armstrong Bureau of Related Industries.
Subject: Reported concession in price at New Orleans.

1. In reply to your market letter 859 would say that we wish to call attention to our filed list of prices * which shows linseed oil

in one-time shippers quoted at 2¢ over our cooperage price. A large number of one-time shippers, bought advantageously, has enabled us to make this price, and a certain portion of our trade seems to be only too glad to obtain oil in such an attractive package.

2. On Sept. 30th we received a letter from J. Watts Kearney & Sons, stating that they were at a considerable disadvantage in having to sell their oil at 2¢ over our raw cooperage price in selling in steel drums, and asked us if they might make any reductions. We immediately advised them in a letter of Sept. 30th regarding the situation as follows:

"Further in explanation of our wire of to-day, would say that we thought that we had advised you at the time we spoke of the steel drums they would demand a premium of 2¢ over oil in cooperage. If it is necessary for you to have some cooperage oil in order to meet competition we will forward to you a car immediately; but we thought your customers would be glad to pay 2¢ over our regular warehouse price in order to obtain a better package and to prevent leakage."

3. To date we have not received any advice to the effect that J. Watts Kearney were selling oil at less than 2¢ over our cooperage price when selling in steel drums, and on October 25th, when your market letter 859 was received, we wrote them asking if they had made any exceptions or had quoted under our regular filed prices. Immediately upon receipt of their answer we will forward it to you. We can not think of anything else we can say to cover this situation at present, and trust that after the answer has been received from J. Watts Kearney the matter will have been explained to the complete satisfaction of subscriber #6.

Very truly yours,

ARCHER-DANIELS LINSEED COMPANY.

NOTE BY THE BUREAU (*).—The price list above referred to was published in bureau quotation reports #45 and #45-A for subscriber #3.

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805 [Copy.]

Market Letter #882—Flaxseed Crushing Industry—October 29, 1919.

REPORTED QUOTATIONS IN ATLANTA BY SUBSCRIBER #6.

[Telegram.]

BUFFALO, N. Y., *Oct. 28, 1919.*
(Received 10.20 a. m.)

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Our Atlanta representative advises subscriber six quoting small lots from warehouse at their field price covering carloads direct shipment. Please investigate.

SPENCER KELLOGG & SONS, INC.

[Telegram.]

CHICAGO, *Oct. 28, 1919.*
(Sent 10.31 a. m.)

MIDLAND LINSEED PRODUCTS CO.,
Minneapolis, Minn.

Reporting your quoting Atlanta small lots warehouse at your filed price carco. Please wire advice.

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

[Telegram.]

CHICAGO, *Oct. 28, 1919.*
(Sent 3.05 p. m.)

SPENCER KELLOGG & SONS, INC.,
Buffalo, N. Y.

Mirec you are correct Atlanta price quoted by mistake. Have wired correction immediately.

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

MINNEAPOLIS, MINN., *October 28, 1919.*

From: Midland Linseed Products Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago, Ill.

We acknowledge receipt of your message advising us that it is reported we are quoting oil in Atlanta, small lots for warehouse delivery, at our field price for car lots.

We confirm our wire reply advising you that you are correct; that the price was quoted by mistake and that we have wired a correction immediately. We thank you for calling this matter to our attention as we had not discovered the error until looking the matter up after receipt of your telegram.

Your truly,

MIDLAND LINSEED PRODUCTS CO.

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806 [Copy.]

Market Letter #883—Flaxseed Crushing Industry—October 30, 1919.

COMPILATION REPORT—MARKET LETTER #858—REPORTED SALE OF OIL TO THE COOK PAINT & VARNISH CO. AT SPECIAL TERMS.

From an analysis of the file of replies on above, completed this day, it is evident that the sale in question was made outside of our group of council members or that the inquiring subscriber has been misinformed as to the terms of the sale.

Nine subscribers merely state in effect that they have neither quoted nor sold.

The remaining replies are published below:

American Linseed Company (10/28/19):

"We made a sale of one 8,000-gallon tank on October 8th to the Cook Paint & Varnish Co. at $1.50 per gallon, in tanks, for April delivery, but we did not agree verbally or in writing to deliver any of this oil during October, November, or December."

Ankeney Linseed Mfg. Co. (10/24/19):

"We have made no sale of oil to the Cook Paint & Varnish Company for several months.

"Mr. Cook told our Kansas City representatives recently that he would give us considerable business if we would deliver to him from warehouse at our carload price. We wired our agent in reference to it, 'Nothing doing.'"

Northern Linseed Oil Co. (10/25/19):

"On October 17th we sold the above firm 19 barrels of raw linseed oil and on October 23d 10 barrels at our regular filed warehouse price. We have entered into no arrangement with them of any kind and have not booked this firm with any future oil."

(10/28/19):

"Supplementing information given in ours of October 25th on above subject, beg to advise that these sales were made at our regular filed warehouse price of $1.73 for raw, delivered Kansas City."

Spencer Kellogg and Sons, Inc. (10/25/19):

"This company has not sold any January forward oil to the Cook Paint & Varnish Company for shipment during the months of October, November, and December.

"If said subscriber is under the impression that business was lost to them because of any such understanding with this company, they have been misinformed.

"As a matter of record, we have sold four tank cars of oil to the customer mentioned on the basis of our price list as filed with the bureau Oct. 7th, November/February inclusive, shipments optional to the customer; however, on the understanding that oil shipped during the month of November will be invoiced at our price list as filed, i. e., $1.55 basis raw oil in tank cars and December forward at $144."

807

[Copy.]

Market Letter #884—Flaxseed Crushing Industry—October 30, 1919.

TENTATIVE REPLY TO MARKET LETTER #877—REPORTED QUOTATIONS IN ST. LOUIS MARKET BY REPRESENTATIVE OF SUBSCRIBER #12.

BUFFALO, N. Y., *October 29, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Reported quotations in St. Louis market by representative of subscriber #12.

GENTLEMEN: Acknowledging inquiry as made by subscriber No. 3 (Archer-Daniels), we are writing our St. Louis representative to-day

with reference to the report as made by their St. Louis representative when they wired subscriber No. 3 under date of October 24th that our representative was quoting spot November $1.73, December $1.62, January $1.53, and Feb./Sept. $1.52.

Needless to mention we will be very glad to report further the moment that we receive an answer from our St. Louis representative.

We can, however, say at this time that we believe there to be some mistake about this report as the business which our St. Louis representative is reporting from day to day is so strictly in keeping with our price list as filed with you on all market changes.

Very truly yours,

SPENCER KELLOGG & SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager.

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808 [Copy.]

Market Letter #885—Flaxseed Crushing Industry—October 31, 1919.

REPORTED QUOTATION IN OHIO TERRITORY BY SUBSCRIBER #14.

Subscriber #14 please reply.

MINNEAPOLIS, MINN., *October 30, 1919.*

From: Midland Linseed Products Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago.

We are advised by our Mansfield, Ohio, agent, Mrs. Donley, that she is informed that Mann Bros. Co. are quoting 5-barrel lots of linseed oil for prompt shipment into Ohio territory at $1.72 raw.

Will you kindly inquire as to whether or not this is true?

Yours very truly,

MIDLAND LINSEED PRODUCTS CO.

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809 [Copy.]

Market Letter No. 891—Flaxseed Crushing Industry—November 1, 1919.

[Excerpt from minutes of meeting of October 29th.]

*12. In the matter of market letter #805, the following legislation was moved by Mr. Nolan, seconded by Mr. Ramsey, and unanimously carried as a modification of the present method of reporting:

Moved that hereafter all reports of changes in prices of the respective council members shall be furnished the bureau in the usual manner as provided in the service contract, with the addition that

all telegraphic information to the bureau covering a change in prices by such subscriber shall carry (in that telegram) the exact time—hour, day, and date—when such quotation has been made to such seller's trade, together with the exact time—hour, day, and date—when such information is relayed to the bureau by such subscriber; and that the bureau's telegraphic report and confirmation of such information shall convey that information fully and completely and exactly as received, together with the time—hour, day, and date—when such information was received and relayed by the bureau.

*13. It was moved by Mr. Kellogg, seconded by Mr. Mann and carried, that the following ruling, set forth in market letter #805, should be adopted:

Moved that in order to provide that the daily market information as relayed by the bureau shall at all times contain the fullest measure of news value, it is agreed that hereafter no council member shall dispatch changes in his prices as last filed with the bureau to more than one buyer without instantly thereafter telegraphing such full and complete information to the bureau as, and in the form, required by the service contract.

14. This motion was supported by all excepting Mr. Nolan, of the National Lead Company, who requested the privilege of voting "present" until he could consult his principals.

15. A discussion then ensued as to what was the most important factor affecting changes in the price of linseed oil and whether or not the time when such factor became effective could be determined upon. In the general discussion the flaxseed market was shown conclusively to be the determining factor in effecting the changes in the linseed-oil market. The Minneapolis and Duluth changes on flaxseed, appearing as they do from 9.30 a. m. to 1.15 p. m., were then discussed as the logical time of day when linseed-oil prices could be shown to be definitely affected by the fluctuations in flaxseed, and although the discussion on this question was of some length, no conclusions were reached nor action attempted.

810

[Copy.]

Market Letter No. 891—Flaxseed Crushing Industry—November 1, 1919.

[Excerpt from minutes of October 29th, 1919, meeting.]

27. The council was somewhat divided on the question of exchanging information with the National Paint, Oil, and Varnish Association. Mr. Daniels stated that he would negotiate with Mr. Cornish purely as a personal matter and give to the council any information or conclusions that he reached.

811 [Copy.]

Market Letter No. 891—Flaxseed Crushing Industry—November 1, 1919.

[Excerpts from minutes of October 29, 1919, meeting.]

46. The next subject considered under this order of business was the revision of the service contract, which question had been moved forward from the morning session; several of the council members advocated the retention of the ninety-day cancellation provision.

47. Mr. Warner of the Midland Linseed Products Co. held to his original stand in this matter, and stated that in his opinion the contract was voided by a change in compensation thereunder.

48. Mr. Armstrong stated that opinion of counsel was that a contract was automatically renewed for those who voted for increased compensation, but that it did not necessarily hold the Midland Company under those circumstances.

49. Questioned by Mr. Bolton, Mr. Warner stated that the substitution of a thirty-day cancellation clause for the ninety-day provision would be entirely satisfactory to him, and Mr. Armstrong agreed that the thirty-day clause would, in his opinion, probably be sufficient to prevent hasty action on the part of individual subscribers.

50. He also brought out the probability that no subscriber having experienced the relations now existing in the council would be so unfair as to penalize his fellow members by withdrawal without due notice.

51. Mr. Armstrong also stated that he believed it desirable to reprint the service contract in its entirety, making such amendments as were brought before the meeting by him, these amendments including the matter of notice to be furnished by the subscriber in case of his intended withdrawal.

*52. The following motion was therefore offered by Mr. Bolton, seconded by Mr. Kellogg, and unanimously carried:

Moved that the cancellation clause in the service contract be revised to read that any subscriber may withdraw from participation in the service of the bureau upon thirty days' advance notice by U. S. registered mail to the bureau.

*53. A motion was thereupon made by Mr. Archer, seconded by Mr. Quine, and unanimously carried, as follows:

Moved that the service contract be reprinted, incorporating the change as placed before the meeting by Mr. Armstrong, and the previously reported motion.

54. On direct question by the chairman asking for any statements to the contrary, the council members reported themselves as operating fully and completely under the present service contract, with the exception that the paragraph containing the cancellation clause should be modified to the thirty-day notice provision and that the service charges provided in the old contract would be revised on the pro rata basis for the increased amount as subscribed at the bureau's meeting.

812 [Copy.]

Market Letter #892—Flaxseed Crushing Industry—November 3, 1919.

REPORTED SALE TO BALTIMORE & OHIO RAILWAY.

All subscribers please reply.

Please state whether or not you quoted or sold the above concern, giving full particulars.

MINNEAPOLIS, MINN., *Oct. 31st, 1919.*

From: Archer-Daniels Linseed Company.
To: Armstrong Bureau of Related Industries.
Subject: Quotation and sales to the B. & O. Railway Company.

1. In accordance with a request from our agents Messrs. A. L. Webb & Sons, Baltimore, Md., on October 25th we wired them our price for a quotation on linseed oil in raw cooperage in less than car lots for the Baltimore & Ohio Railway, as follows:

"For prompt or early November shipment $1.73 Chicago warehouse delivered Fostoria 1.75½."

2. The latter quotation was based on our warehouse price at the time at Toledo which was $1.74 plus the L. C. L. rate on the linseed oil in barrels from that point to Fostoria. We have had a number of inquiries from the B. & O. and in each instance have lost the order. In this particular case Messrs. A. L. Webb advised us that the B. & O. had purchased their requirements at less than $1.70 per gallon raw cooperage f. o. b. Chicago.

3. Will you kindly bulletin all council members requesting them to advise whether they quoted or sold B. & O. Ry. Co. on or about October 25th and if so, at what price.

ARCHER-DANIELS LINSEED COMPANY.

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813 [Copy.]

Market Letter #894—Flaxseed Crushing Industry—November 4, 1919.

REPLY TO MARKET LETTER #885—REPORTED QUOTATION IN OHIO TERRITORY BY SUBSCRIBER #14.

BUFFALO, N. Y., *Nov. 3, 1919.*

To: Armstrong Bureau of Related Industries.
From: The Mann Bros. Co., J. J. Mann, Vice-Pres.
Subject: Market letter No. 885.

1. Our price of linseed oil in five-barrel lots is #1.74 f. o. b. cars Buffalo in zone 2. On five-barrel lots delivered in Ohio, our price would range from $1.77 to $1.79, depending on freight rates to various points; except to warehouse points where we would quote our

five-barrel price of $1.74. Midland's agent (Mrs. Donley) is evidently misinformed when she says we are quoting $1.72.

Yours truly,

THE MANN BROS. CO.
(Signed) JOHN J. MANN, *Vice Prest.*

814 [Copy.]

Market Letter #895—Flaxseed Crushing Industry—November 4, 1919.

FURTHER REPLY TO MARKET LETTER #877—REPORTED QUOTATIONS IN ST. LOUIS MARKET BY REPRESENTATIVE OF SUBSCRIBER #12.

(See also market letter #884.)

Subscriber #3 please investigate further and reply.

BUFFALO, N. Y., *Nov. 3, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Market letters 884, 877—Reported quotations in St. Louis market by representative of subscriber No. 12.

GENTLEMEN: With further reference to this subject, as issued in our letter of the 29th ult., our St. Louis representative now reports that he has quoted no prices to anyone other than those as covered by our regular instructions which are strictly on the basis of our price list as filed with you on all market changes; therefore, will the representative of the inquiring subscriber (No. 3) be kind enough to name the source of his information with full particulars, as we are exceedingly anxious to go to the bottom of this alleged infraction of instructions.

Yours truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager.

815 [Copy.]

Market Letter #898—Flaxseed Crushing Industry—November 4, 1919.

FINAL REPLY TO MARKET LETTER #859—REPORTED CONCESSION IN PRICE BY SUBSCRIBER #3.

(See also market letter #878.)

MINNEAPOLIS, MINN., *Nov. 3, 1919.*

From: Archer-Daniels Linseed Company.
To: Armstrong Bureau of Related Industries.
Subject: Reported concession in price at New Orleans.

Further in reply to market letter #859 would say we are to-day in receipt of a letter from our agent at New Orleans who states that

he has maintained our differential of 2¢ per gallon over our cooperage price on steel drums at all times and that at no time has he offered any of our oil in steel drums at less than 5¢ per gallon over our carload price for zone four. We believe that this should conclusively answer all questions on this subject.

Very truly yours,

ARCHER-DANIELS LINSEED COMPANY.

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816 [Copy]

Market Letter #901—Flaxseed Crushing Industry—November 5, 1919.

COMPILATION REPORT—MARKET LETTER #866—REPORTED QUOTATION TO JONES & DILLINGHAM, SPOKANE, WASH.

From an analysis of the file of replies on the above, completed this day, it is evident that the sale in question was made by subscriber #12, whose letter is published below.

The remaining subscribers all state in effect that they have neither quoted nor sold the above concern.

BUFFALO, N. Y., *October 29, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Market Letter No. 866—Reported Quotation to Jones & Dillingham, Spokane, Wash.

GENTLEMEN: Acknowledging your inquiry as made by subscriber No. 3 under date of October 24th, our records show having quoted and sold the customer in question one 8,000 gallon capacity tank car for January shipment at $1.54 basis raw oil in tanks, f. o. b. Minneapolis.

Yours truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager.

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817 [Copy]

Market Letter #902—Flaxseed Crushing Industry—November 5, 1919.

CHANGING THE SERVICE CONTRACT IN ACCORDANCE WITH MERCHANDISING RESOLUTIONS.

All subscribers please reply.

In reprinting the service contract the bureau finds one provision therein which can be dropped because of the fact that the present

operations of the council under merchandising resolutions passed some time ago renders this provision superfluous.

In the present contract, lines 296 to 306, inclusive, there is a provision whereby reports to the bureau on special quotations will only be exchanged with those subscribers making and reporting quotations to the same buyer.

It will be remembered that the council long ago recognized the unfair merchandising policy of quoting one price to one buyer and another price to another buyer and passed a resolution making for the elimination of such special quotations.

As the Federal Trade Commission ruling on this point further supports the decision of the council, and as there is every indication at the present time that it is the desire of the council to provide in every way against such special quotations, the bureau recommends the dropping of the paragraph providing for the exchange of this information on the exchange basis only, modifying the provision so that if any such special quotation or sale is reported the bureau will immediately clear full and complete information to all council members, and that method of procedure will be recognized as a possible further check of the making of such special quotations.

To accomplish that result in the new contract a period will be inserted after the word "hereunder" in line 298 and the matter from that point to line 311, inclusive, will be stricken out.

As the new contract is about ready to go to the printer, kindly give your consent to the above changes by return mail.

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818 [Copy.]

Market Letter #912—Flaxseed Crushing Industry—November 7, 1919.

COMPILATION REPORT—MARKET LETTER #892—REPORTED SALE TO BALTIMORE & OHIO RAILWAY.

From the file of replies on the above, completed this day, in which all subscribers state in effect that they have neither quoted nor sold this company, it is apparent that the sale in question was made outside the council.

In line with the comment in the reply published below, the bureau calls the attention of subscriber #9 to paragraph 39 of market letter #370 (minutes of meeting of March 26, 1919), where it is recommended that where less than carload shipments are made from mill or distributing point, one cent be added to the zone warehouse prices in lieu of freight, and the actual freight prepaid. The entire resolution will be found in the market letter indicated above. This seems to clear the point in question.

NOVEMBER 5, 1919.

From: Northern Linseed Oil Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago, Ill.
Subject: Market letter #892, sale to B. & O. Ry. Co.

We have neither quoted nor sold the B. & O. Railway Company linseed for many years.

It is our impression that some time ago council members concurred in the idea that it was not good practice to quote delivered prices on anything but carloads cooperage or tank cars. All sales of less than a carload would be quoted f. o. b. mill or distributing point. Are we correct?

Yours very truly,

NORTHERN LINSEED OIL CO.,
(Signed) J. W. BRUNETTE.

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819 [Copy.]

Market Letter #913—Flaxseed Crushing Industry—November 7, 1919.

COMPILATION REPORT—MARKET LETTER #861—REPORTED QUOTATION TO GENERAL ELECTRIC COMPANY, SCHENECTADY, N. Y.

From an analysis of the file of replies on above, completed this day, it is evident that the sale in question was made by subscriber #12, whose correspondence is published below:

The remaining twelve subscribers all state in effect that they have neither quoted nor sold the above company.

Spencer Kellogg & Sons, Inc. (10/27/19):

"We sold the customer in question six tanks for January, February, and March shipment on the basis of our price-list as filed Wednesday afternoon, October 22nd; sale being entered all of an hour after our wire, reporting the reduction in our price-list, was forwarded to your office."

(11/6/19):

"Our sale to the General Electric Company, Schenectady, N. Y., was made on the basis of our price list as filed with you on October 22nd, i. e., $1.56 raw oil in tank cars, January shipment, and $1.47 raw oil in tank cars February/March/April, four tanks involved, with our usual premium of 2¢ per gallon over the* raw basis for our 'Improved Raw' which will be delivered against this purchase."

NOTE BY THE BUREAU (*).—"The raw basis" is so obviously connected with the phrase "our usual premium" just before it, that the bureau interprets it as referring to subscriber #12's own raw basis.

820 [Copy.]

Market Letter #914—Fla'seed Crushing Industry—November 10, 1919.

REPORTED SALE TO CHESTER SHIPBUILDING COMPANY, CHESTER, PA.

All subscribers please reply.

NEW YORK, *November 7, 1919.*

From: National Lead Company.
To: Armstrong Bureau of Related Industries.
Subject: Sale to Chester Shipbuilding Company, Chester, Pa.

On October 24th we quoted the Chester Shipbuilding Company, of Chester, Pa., price of $1.75 f. o. b. Philadelphia on 42 barrels of oil, prompt shipment.

Our representatives at Philadelphia state that they have been reliably informed the purchase of that quantity of oil was made by the Chester Shipbuilding Company at $1.72 per gallon.

The belief is expressed that the purchase was not made of Kelloggs & Miller, for the price of the latter at that time in the Philadelphia market was $1.68 per gallon less than carlots.

Please request of each council member such detail information as they may furnish with respect to this transaction.

Yours very truly,

(Signed) C. T. NOLAN, *Manager.*

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821 [Copy.]

Market Letter #916—Flaxseed Crushing Industry—November 10, 1919.

CHECKING AN APPARENT DELAY IN FORWARDING MARKET INFORMATION.

CHICAGO, *November 7, 1919.*

Subscriber: Ankeney Linseed Mfg. Co.
Form: Armstrong Bureau of Related Industries.
Subject: Your wire of November 6th.

1. Your message of November 6th, confirmed in bureau quotation report #58, was received by us this morning as the telegraph company attempted delivery after our closing hour last night. We notice that while your oil quotation was made at 3.00 p. m. and your meal quotation as 2.46 p. m., the message did not reach the Des Moines telegraph office until 4.04 p. m. (you do not state in your wire the hour at which it was actually transmitted to us).

2. It looks as though considerable time had elapsed between the quoting of the prices and the filing of them with the bureau, while

the consensus of opinion at the last meeting provided that all changes in prices should be wired immediately.

3. As it is important that matters of this kind should be carefully checked and those responsible in the various offices of our subscribers for the relaying of these messages to the bureau should be fully instructed as to the importance of prompt action, we call your attention to this matter and hope to hear from you as to the time that message was relayed to the bureau.

4. As you know, both the time of making the quotation and the hour of its relaying to the bureau should be given in the telegram.

(Signed) C. ROSENFELS.

DES MOINES, IA., *11/8/19.*

From: Ankeney Linseed Mfg. Co., Des Moines, Iowa.
To: Armstrong Bureau of Related Industries.
Subject: Our wire of November 6th.

In re our message of November 6th will say that a mistake was made in the time on the message. The code word should have been "nationality" not "nab." The message was made at 3.30. Postal received it at 3.50 and it left their office at 4.04. Hope this clears matter up.

ANKENEY LINSEED MFG. CO.

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822 [Copy.]

Market Letter No. 921—Flaxseed Crushing Industry—November 11, 1919.

REPORTED QUOTATION BY PITTSBURGH REPRESENTATIVE OF SUBSCRIBER #6.

Subscriber #6 please reply:

NOVEMBER 10, 1919.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Illinois.

Reported quotation as made by the Pittsburgh representative of subscriber #6.

GENTLEMEN: We have reason to believe that Mr. James Forrester, the Pittsburgh representative of subscriber #6, quoted various jobbers throughout eastern Pennsylvania by telegraph Thursday afternoon, November 7th, and offering linseed oil at a price of $1.50 basis raw January shipment.

We are particularly interested in the endeavor to ascertain whether or not quotations or sales were made to the firms of Lewis & Bennett Hardware Co. at Wilkes-Barre, Pa., and Louis C. Thompson, Potts-

ville, Pa., at a price of $1.50. If, perchance, we have been misinformed, will said subscriber be kind enough to furnish us with the exact facts as covering the telegram quotations referred to, particularly in that the price mentioned was below their price schedule as on file at that time.

Our Mr. Acer has just returned after spending the entire week down through the territory in question.

Yours very truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager.

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823 [Copy.]

Market Letter #922—Flaxseed Crushing Industry—November 11, 1919.

AN ADDITIONAL MEASURE TO EXPEDITE MARKET INFORMATION.

All subscribers please reply.

Upon advice from Spencer Kellogg & Sons, Inc., that their Minneapolis office very often takes the initiative in making their prices on linseed oil, the bureau has found it necessary to request that Spencer Kellogg & Sons have their Minneapolis office report their price changes direct to the bureau, and the council member in question with their usual ready measure of cooperation has immediately made arrangements to that end.

It will be seen that if this market information from Minneapolis would have to be relayed to Buffalo and thence to the bureau, the news value of such information would suffer materially.

As it is possible that similar situations obtain with other council members, this is official notice that if such is the case with any other crusher, where any of his branch offices are privileged to make their own market, so to speak, without first receiving authority from the home office, it will be necessary that those branches be directly connected with the bureau on the same sort of reporting plan as obtains from the home office.

The bureau will send to such offices copies of the telegraphic code and confirmation blanks for confirming their reports, but it is not our present intention to complicate the service by sending to such offices copies of the market information distributed to the council members.

In order that a very definite check may be had on this matter, will each and every one kindly reply to this market letter, advising whether or not they have any such more or less independently operating branches?

824

[Copy.]

Market Letter #927—Flaxseed-Crushing Industry—November 13, 1919.

REPORTED SALE TO M., ST. P. & S. S. M. RY.

All subscribers please reply.

MINNEAPOLIS, MINN., *Nov. 12, 1919.*

From: Northern Linseed Oil Co., Minneapolis.
To: Armstrong Bureau of Related Industries, Chicago, Ill.
Subject: Sale to M., St. P. & S. M. Ry.

1. On November 6th we quoted the above firm on 15 barrels of boiled linseed oil at our regular filed price of $1.75 for boiled. Upon following up this quotation, on November 10th we were advised by the purchasing department of the Soo Line that they had purchased this oil at $1.72 for boiled and upon taking up with the people making this quotation they admitted the mistake but stated that their quotation would stand and they made no effort to withdraw.

2. Will you kindly bulletin subscribers to ascertain who made the sale?

Yours very truly,

NORTHERN LINSEED OIL CO.,
(Signed) J. W. BRUNETTE.

825

[Copy.]

Market Letter No. 934—Flaxseed-Crushing Industry—November 14, 1919.

TENTATIVE REPLY TO MARKET LETTER #921—REPORTED QUOTATION BY PITTSBURGH REPRESENTATIVE OF SUSCRIBER #6.

MINNEAPOLIS, *Nov. 13, 1919.*

From: Midland Linseed Products Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago.

Replying to your market letter No. 921.

We advanced our price on November 7th and sent out the first telegram at 3.30 p. m. We sent the telegram to the Armstrong Bureau at 3.33 p. m.* The balance of the telegrams to agents were sent out as fast as they could be written up to 4.15 p. m., Minneapolis time, so in all probability Mr. Forrester did not receive our notice of an advance in price until after the close of business November 7th, as there was some delay in telegraph service on that date.

Mr. Forrester has not been in the habit of forwarding orders sold after receipt of notices of advance in price and we do not believe he

made any sales after he received our notice. We have, however, written him asking him regarding the matter and will let you hear from us further after we receive his reply.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

NOTE BY THE BUREAU (*).—The only time given in the telegrams received by the bureau and confirmed in quotation report #73 was 3.45 p. m.

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826 [Copy.]

Market Letter No. 936—Flaxseed Crushing Industry—November 15, 1919.

REPORTED SALE TO WATSON PAINT & GLASS CO., MC KEESPORT, PA.

All subscribers please reply:

BUFFALO, N. Y., *Nov. 14, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On Monday, November 10th, our Pittsburgh agent, in reply to an inquiry from the Watson Paint & Glass Co. for our price for 5 barrels refined oil delivered McKeesport, quoted $1.78 per gallon f. o. b. Pittsburgh. Our price at that time was $1.74 raw basis and our premium for refined is 4¢ per gallon. The customer wanted the oil delivered McKeesport and asked for the price freight prepaid. Their letter informed our representative that they had purchased at less than our price and also informed him that the price at which they bought was prepaid to McKeesport.

Will you kindly have this letter bulletined and report in the regular way who sold this oil and the terms and conditions of sale?

Yours very truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) V. A. ACER,
Linseed Oil Department.

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827 [Copy.]

Market Letter No. 938—Flaxseed Crushing Industry—November 17, 1919.

REPLY TO MARKET LETTER #921—REPORTED QUOTATION BY PITTSBURGH REPRESENTATIVE OF SUBSCRIBER #6.

(See also Market Letter #934.)

MINNEAPOLIS, MINN., *Nov. 15, 1919.*

From: Midland Linseed Products Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago.
Subject: Replying further to your market letter #921.

We have just received advice from Mr. Forrester that he did not make any sales after receipt of our message of November 7th

advancing our price. He received the message at 8.47 p. m., it evidently having been delayed several hours by the telegraph company, as it was sent from Minneapolis not later than 4.15 p. m. central time.

Yours very truly,

MIDLAND LINSEED PRODUCTS CO.

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828 [Copy.]

Market Letter #939—Flaxseed Crushing Industry—November 17, 1919.

COMMENT ON ACTION OF SUBSCRIBER #12 AS REPORTED IN MARKET LETTER #922—AN ADDITIONAL MEASURE TO EXPEDITE MARKET INFORMATION.

Subscriber No. 12 please reply.

MINNEAPOLIS, MINN., *November 12th, 1919.*

From: Midland Linseed Products Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries,
Chicago.

Replying to your market letter No. 922:

We regret very much to note that subscriber No. 12 has given authority to one of their subordinate offices to initiate price changes on linseed oil.

In our opinion, conditions do not make such an arrangement necessary and we believe the arrangement to be decidedly undesirable as setting a precedent which, if followed by other crushers in other markets, will result in endless confusion, will decidedly reduce the value of the bureau service and might in the end result in the disruption of the service entirely.

NOVEMBER 15TH, 1919.

We note that same refers to meal prices instead of prices on linseed oil. We believe that what we have already written you still applies, the principle being exactly the same in each case whether the arrangements covers linseed oil or oilmeal.

Suppose, for example, we were to give our New York agent authority to initiate prices on linseed oil, oilmeal or both. We do not think there can be any doubt in the mind of anyone who has had any experience in selling that it would simply mean a demoralization of the market, as he would have the power to reduce his price at

any time for the purpose of accepting orders and merely wiring you a change in price. This policy, we believe, is similar to the policy of the head office reducing prices for the purpose of accepting offers below the market, only it is worse, since it puts the control of prices in the hands of those who know nothing about anything but local conditions and who are, therefore, not qualified to judge the situation from a broad viewpoint.

We still believe that the initiation of this policy is a decided mistake on the part of subscriber No. 12, the ultimate result of which it is not possible to foresee but the possibilities of which it is easy to imagine. We sincerely hope that said subscriber will discontinue their announced policy.

Yours very truly,

MIDLAND LINSEED PRODUCTS CO.

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829 [Copy.]

Market Letter #941—Flaxseed Crushing Industry—November 18, 1919.

COMPILATION REPORT—MARKET LETTER #914—REPORTED SALE TO CHESTER SHIPBUILDING COMPANY, CHESTER, PA.

From an analysis of the replies on above, completed this day, it is evident that the sale in question was made outside of our group of council members, as the two letters below seem to indicate.

The remaining eleven subscribers merely state in effect that they have neither quoted nor sold the company concerned.

American Linseed Company (November 15, 1919):

"Our Philadelphia representative advises that he quoted our regular filed price and he is of the opinion that this sale was made by a jobber in Phila., as we did not get the business."

Spencer Kellogg and Sons, Inc. (November 17, 1919):

"We give herewith quotation from letter received from our Philadelphia representative on this matter.

"'Beg to advise that on October 25th we quoted these people on 42 bbls. raw linseed oil on the basis of $1.75 f. o. b. Philadelphia, Buffalo, or New York, and that if the oil was taken out in a carload of 68 bbls. direct shipment our price would be $1.72 f. o. b. Buffalo, freight allowed to Chester, Pa. Terms: 1% 10 days, trade acceptance, 30 days. We never heard from the quotation, and we knew at the time that American had made the same quotation we were under the impression that the order was either placed with a jobber or with Kellogg & Miller.'"

830 [Copy.]

Market Letter #943—Flaxseed Crushing Industry—November 18, 1919.

REPLY TO MARKET LETTER #895—REGARDING REPORTED QUOTATIONS IN ST. LOUIS MARKET BY REPRESENTATIVE OF SUBSCRIBER #12.

(See also market letters #877 & 884.)

MINNEAPOLIS, MINN., *Nov. 17, 1919.*

From: Archer-Daniels Linseed Company.
To: Armstrong Bureau of Related Industries.
Subject: Information as to reported quotation in St. Louis by representatives of subscriber 12.

We are not sure that we advised you that we had a letter from St. Louis under date of October 24th in which they state: "Our information which we wired you comes from two or three sources on which we can absolutely depend. There was no reason for them to mislead us, and we are inclined to think the figures we wired you were quoted in this market late yesterday and so far as we could learn had not been withdrawn to-day."

We evidently wrote for further information as we wrote our agent under date of Nov. 11th: "We have your letter of the 7th and appreciate that as a rule you cannot give up your source of information." We cannot place our hands on this St. Louis letter of the 7th, but our recollection was that they could rely absolutely on their source of information but could not make it public.

Very truly yours,

ARCHER-DANIELS LINSEED CO.

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831 [Copy.]

Market Letter No. 945—Flaxseed Crushing Industry—November 19, 1919.

FURTHER REPLY TO MARKET LETTER #921—REPORTED QUOTATION BY PITTSBURGH REPRESENTATIVE OF SUBSCRIBER #6.

(See also market letters #934 & 938.)

MINNEAPOLIS, MINN., *Nov. 18, 1919.*

From: Midland Linseed Products Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago.
Subject: Referring further to your market letter #921.

We have just received a letter from our Mr. Forrester advising that he quoted Lewis & Bennett Hdwe. Co., of Wilkes-Barre; also

Louis C. Thompson, of Pottsville, at our regular filed price November 6th, but that we did not receive an order, one of the parties expressing regret that they could not give us the order on account of our price being a little too high.

Yours very truly,

MIDLAND LINSEED PRODUCTS CO.

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832 [Copy.]

Market Letter #948—Flaxseed Crushing Industry—November 19, 1919.

REPORTED SALE OF THE AMERICAN CRAYON CO., SANDUSKY, OHIO.

All subscribers please reply.

MINNEAPOLIS, MINN., *November 18th, 1919.*

From: Midland Linseed Products Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago.

Our Mansfield agent advises us that she quoted the American Crayon Co., of Sandusky, Ohio, on November 4th at $1.74 basis raw, f. o. b. Mansfield, and that they claim they have purchased from competitors at a lower price.

Will you kindly put out an inquiry to the other subscribers and find out if any of them sold these people and at what price.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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833 [Copy.]

Market Letter #950—Flaxseed Crushing Industry—November 19, 1919.

REPORTED SALE TO W. S. HARPER, ROCKFORD, ILL.

All subscribers please reply.

Please give definite date and prıce quotation or sale made to the above concern.

NEW YORK, *November 17, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: About ten days ago we quoted W. S. Harper, Rockford, Ill., 100 bbls. oil November-March shipment at our filed price, and were informed that he was able to buy this quantity for this delivery at $1.51 f. o. b. Chicago, shipment as required by him in less-than-carload lots, the contract subject to a carrying charge of 1¢ per gallon per month beginning April 1st.

Will you kindly bulletin the council members on this matter, as, according to our records, none of them have filed a price as low as this for this delivery.

Yours very truly,

(Signed) F. K. QUINE,
Mgr. Oil Sales Dept.

NOTE BY THE BUREAU (*).—According to the general practice as outlined in market letter #3, paragraph #5, will the inquiring subscriber please supplement this letter by giving the definite price quoted in place of the phrase "our filed price"?

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834 [Copy.]

Market Letter #958—Flaxseed Crushing Industry—November 21, 1919.

REPORTED SALE TO KUHN PAINT & VARNISH WORKS, HOUSTON, TEXAS.

All subscribers please reply.

NEW YORK, *November 19, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On November 12th and 13th our St. Louis representative quoted by telegraph Kuhn's Paint & Varnish Works, Houston, Texas, price on a car of oil, and have their reply under date of November 15th thanking us for these quotations in response to their request, and regretted exceedingly that a difference of 4¢ per gallon in the other fellow's favor prevented them from giving us this business.

Will you kindly bulletin the council members and ask if any of them quoted and at what price.

Yours very truly,

(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

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835 [Copy.]

Market Letter #960—Flaxseed Crushing Industry—November 21, 1919.

COMPILATION REPORT—MARKET LETTER #927—REPORTED SALE TO M., ST. P. & S. S. M. RY.

From an analysis of the file of replies on the above, completed this day, it is evident that the sale in question was made by subscriber #6, whose letter is published below:

MINNEAPOLIS, MINN., *November 15, 1919.*

From: Midland Linseed Products Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago.

Replying to your market letter No. 927:

We quoted the Soo Line 15 barrels of boiled linseed oil on November 5th at $1.72 per gallon, which quotation was made by mistake.

The Soo line called up to place their order with us, and as there had been no change in the market between the time the quotation was made and the time of their acceptance we could not very well withdraw the price and accepted the order.

We did, however, explain that a mistake had been made in quoting them at the price stated, and assure you that the mistake was unintentional and that we regret having made it.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

Subscriber #6 please reply.

Since this sale was a deviation from the above subscriber's price list as filed with the bureau, and should have been reported as a special sale, no doubt the subscriber in question will wish to explain the omission.

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836 [Copy.]

Market Letter No. 968—Flaxseed Crushing Industry—November 24, 1919.

REPORTED SALE TO WESTERN GLASS & PAINT CO., LINCOLN, NEBR.

All subscribers please reply.

NOVEMBER 22, 1919.

From: Ankeney Linseed Mfg. Co., Des Moines, Iowa.
To: Armstrong Bureau of Related Industries, Chicago, Illinois.
Subject: Sale to the Western Glass & Paint Co., Lincoln, Nebr.

This concern on being quoted by our Omaha representative at $1.61 f. o. b. Lincoln, for delivery April forward, claimed to him that they bought for the same delivery at $1.60 Lincoln.

Will you please bulletin the members to see if they have any knowledge of this sale to the Western Glass & Paint Co.?

Very truly yours,

ANKENEY LINSEED MFG. CO.
(Signed) H. E. ANKENEY, *Secy.*

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837 [Copy.]

Market Letter #969—Flaxseed Crushing Industry—November 24, 1919.

REPORTED SALE IN LOS ANGELES TERRITORY BY REPRESENTATIVE OF SUBSCRIBER #1.

Subscriber #1 please reply.

NOVEMBER 22, 1919.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Ill.

Linseed Oil

GENTLEMEN: Los Angeles, California: We are advised by our representative in this territory that the representative of subscriber

#1 is booking contracts on their direct shipment basis of price with the understanding that delivery will be taken from Los Angeles stocks in quantities of 68 barrels within a 24-hour period, and that such deliveries will be invoiced to the buyers on the basis of a "carload, truckload delivery" as it applies to those markets which have been officially classified as "mill points."

Inasmuch as Los Angeles is not a mill point in any sense of the word, will you please bulletin subscriber #1 as to the accuracy of this report?

Very truly yours,

SPENCER KELLOGG & SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager.

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838 [Copy.]

Market Letter #972—Flaxseed Crushing Industry—November 24, 1919.

COMPILATION REPORT—MARKET LETTER #936—REPORTED SALE TO WATSON PAINT & GLASS CO., MCKEESPORT, PA.

From an analysis of the file of replies on the above, completed this day, it is evident that the sale in question was made by subscriber #3, whose letter is published below.

The reply of subscriber #1 is also published for what information it gives regarding the situation.

The remaining eleven subscribers state in effect that they have neither quoted nor sold.

NOVEMBER 21, 1919.

From: Archer-Daniels Linseed Company.
To: Armstrong Bureau of Related Industries.
Subject: Market letter #936.

We sold six drums of bleached and varnish oil to the Watson Paint & Glass Company on November 11th at $1.75 in drums and charged the drums to them at $10.00, and returnable same price f. o. b. Pittsburgh. The Watson Paint & Glass Company confirmed this purchase as delivered McKeesport and Dravesburg, and our agent, Mr. Zimmerman, wrote them on November 12th as follows:

"Your orders #7552, 7553, and 7554 received today, and note you have the f. o. b. point McKeesport and Dravesburg, whereas our quotation was for f. o. b. Pittsburgh. We have taken the liberty of changing same, and trust this will meet with your approval.

"Thanking you for these orders and hoping for a continuance of same, we are."

This oil was sold to these people in the regular way, f. o. b. Pittsburgh, but, as stated above, they confirmed the orders delivered Mc-

Keesport and Dravesburg and our agent refused to ship the oil in this way, so that it was sold on our regular terms and our regular prices for refined oil.

Very truly yours,

ARCHER-DANIELS LINSEED CO.

NOVEMBER 19, 1919.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Illinois.

GENTLEMEN: In reply to market letter #936, reported sale to Watson Paint & Glass Co., McKeesport.

Our Pittsburgh representative reports that on November 10th these people asked him for a price on 5 barrels of refined oil, on which he quoted $1.78 f. o. b. Pittsburgh. Later in the day they advised him they could buy at $1.74, and when questioned by him said that the price was for oil in drums. He could not learn whether
839 the price was made by a crusher or by some paint manufacturer or jobber. In this connection he advises in reply to a question that McKeesport is not considered in the Pittsburgh delivery zone, stating that two years ago the Midland Company delivered free of cartage there, but feels confident that they have not done so since about that time.

Yours very truly,

(Signed) F. K. QUINE,
Manager Oil Sales Dept.

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840 [Copy.]

Market Letter #974—Flaxseed Crushing Industry—November 25, 1919.

REPLY TO MARKET LETTER #939—COMMENT ON ACTION OF SUBSCRIBER #12, AS REPORTED IN MARKET LETTER #922—AN ADDITIONAL MEASURE TO EXPEDITE MARKET INFORMATION.

NOVEMBER 22, 1919.

From: Howard Kellogg, general manager Spencer Kellogg & Sons, Inc., Buffalo.

To: Mr. Julian Armstrong, Armstrong Bureau of Related Industries, Chicago, Ill.

Subject: Market letter No. 939.

1. We have read this letter from subscriber No. 6 with much interest and feel that he has undoubtedly stated truths about business management which have very general application.

2. At times in the conduct of a business special conditions do arise which call for special consideration and handling in ways which may not be advisable under normal conditions.

3. We feel that the occasion for which we adopted the method of independent price making on linseed meal at Minneapolis has passed and are glad to say that we intend to adopt the suggestion of subscriber No. 6 to centralize at Buffalo the control of oil-meal prices.

SPENCER KELLOGG & SONS.
(Signed) HOWARD KELLOGG,
General Manager.

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841 [Copy.]

Market Letter No. 975—Flaxseed Crushing Industry—November 24, 1919.

REQUESTING ADDITIONAL INFORMATION ON MARKET LETTER #945—FURTHER REPLY TO MARKET LETTER #921—REPORTED QUOTATION BY PITTSBURGH REPRESENTATIVE OF SUBSCRIBER #6.

(See also market letters #934 & 938.)

Subscriber #6 please reply.

NOVEMBER 22, 1919.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Market letter #945—Further reference to market letter 921—Reported quotation by Pittsburgh representative of subscriber #6 (see also market letters 934 & 938).

GENTLEMEN: Acknowledging market letter 945, will subscriber #6 please bulletin the exact wording of the telegrams as sent by their Pittsburgh representative to the Lewis & Bennett Hardware Co., of Wilkes-Barre, Pa.; also Louis C. Thompson, Pottsville, Pa.

We do not believe that this is an unreasonable request, in that we were recently called upon to give full particulars pertaining to the sale made to the General Electric Company, of Schenectady, N. Y., in response to inquiry made by subscriber #1.

In this particular case the mere mention that these quotations were made on the basis of price list as filed November 6th is not a satisfactory answer to our inquiry.

Yours truly,

SPENCER KELLOGG & SONS, INC.
(Signed) V. H. HUNTER,
General Sales Manager.

842 [Copy.]

Market Letter #976—Flaxseed Crushing Industry—November 24, 1919.

REPORTED CONCESSION IN PRICE IN COLUMBUS, OHIO, MARKET BY SUBSCRIBER #3.

Subscriber #3 please reply:

MINNEAPOLIS, MINN., *Nov. 21, 1919.*

From: Midland Linseed Products Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago.

We have a letter from our Columbus agents asking why the Archer-Daniels Company sold oil in Columbus, Ohio, on October 9th at $1.53 per gallon, which we believe was below their filed price at the time, whereas we refused to confirm a sale made by our agent on the same date at the same price.

Will you kindly ask for an explanation so we can give an answer to our Columbus agents?

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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843 [Copy.]

Market Letter #977—Flaxseed Crushing Industry—November 25, 1919.

SUPPLEMENTARY INFORMATION ON MARKET LETTER #854—REPORTED SPECIAL ALLOWANCE BY SAN FRANCISCO REPRESENTATIVE OF SUBSCRIBER #1.

(See also market letters #900 and #904.)

Subscriber #1 will undoubtedly wish to take this additional information into consideration in securing from his San Francisco representative the further reply requested by the bureau in market letter #904.

NOVEMBER 24, 1919.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Illinois.

Market letters No. 904, 900, and 854—Reported special allowance by San Francisco representative of subscriber #1.

GENTLEMEN: With further reference to this matter, our San Francisco representative reports under date of November 17th that one of the largest buyers in the territory is responsible for the statement not only to our representative, but also to Mr. Walls, of Willits,

Paterson, representing subscriber #6, that the representative of subscriber #1 has been allowing said customer 5¢ a gallon when he furnishes his own empty oil barrels to be filled at tank station maintained by subscriber #1.

Very truly yours,

SPENCER KELLOGG & SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager.

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844 [Copy.]

Market Letter #981—Flaxseed Crushing Industry—November 25, 1919.

REPORTED SALE TO A. H. THOMAS PAINT COMPANY, WAVERLY, N. Y.

All subscribers please reply:

NOVEMBER 24, 1919.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Illinois.

Miscellaneous.

GENTLEMEN: We are advised that A. H. Thomas Paint Company of Waverly, N. Y., recently purchased a carload of oil, freight allowed to Waverly, shipment during February, at or near the price of $1.49 per gallon, basis raw in barrels.

Will you kindly bulletin this letter, so that we may know whether or not such a sale as this was made by any member of the Council?

Yours very truly,

SPENCER KELLOGG & SONS, INC.

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845 [Copy.]

Market Letter No. 982—Flaxseed Crushing Industry, November 25, 1919.

REPLY TO MARKET LETTER #943—REGARDING REPORTED QUOTATIONS IN ST. LOUIS MARKET BY REPRESENTATIVE OF SUBSCRIBER #12.

(See Also Market Letters #877, 884, & 895.)

BUFFALO, N. Y., *Nov. 24, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Our St. Louis representative replies to a copy of this market letter, which was immediately forwarded for his attention, that the only thing that he can say is that he positively did not quote anyone at any time other than our market price as instructed from

this office and as per our price list on file with you at the time, further stating that nothing would give him greater pleasure than calling upon Mr. Ginn with the request that he take our representative to the customer or customers who made the report that our representative had quoted them prices under our schedule as filed.

Yours truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager.

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846 [Copy.]

Market Letter #985—Flaxseed Crushing Industry—November 26, 1919.

COMPILATION REPORT—MARKET LETTER #948—REPORTED SALE TO THE AMERICAN CRAYON CO., SANDUSKY, OHIO.

From an analysis of the replies on the above completed this day, it is evident that the sale in question was made outside of our group of council members.

12 subscribers merely state in effect that they have neither quoted nor sold the concern in question.

The reply of subscriber #13 is published below:

TOLEDO, O., *Nov. 20, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In answer to market letter #948, wish to advise that we also quoted the American Crayon Co., of Sandusky, early November on the basis of $1.74 Toledo, but did not secure the order.

Very truly yours,

THE TOLEDO SEED & OIL CO.,
(Signed) GEO. A. VRADENBURG,
Vice President.

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847 [Copy.]

Market Letter #988—Flaxseed Crushing Industry—November 28, 1919.

COMPILATION REPORT—MARKET LETTER #950—REPORTED SALE TO W. S. HARPER, ROCKFORD, ILL.

From an analysis of the file of replies on above completed this day it is evident that the sale in question was made by subscriber #6, whose letter is published below.

Additional reply from subscriber #1 is also published.

The remaining twelve subscribers merely state in effect that they have neither quoted nor sold the concern in question.

American Linseed Company (11/21):

"The price which we quoted W. S. Harper, Rockford, Ill., that being our filed price, was $1.54 f. o. b. Chicago, Ill."

Midland Linseed Products Co. (11/21):

"We quoted W. S. Harper, of Rockford, Ill., 100 barrels of linseed oil for direct shipment, January to September, inclusive, at $1.51 per gallon for raw, carload lots, Rockford, and secured his order for 100 barrels at this price for shipment about May 1st, carload lots, from our factory."

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848 [Copy.]

Market Letter #996—Flaxseed Crushing Industry—December 1, 1919.

REPORTED QUOTATION TO THE TALLABECA HDWE. COMPANY, TALLABECA, ALABAMA, BY SUBSCRIBER #1.

Subscriber #1 please reply.

MINNEAPOLIS, MINN., *November 29, 1919.*

From: Archer-Daniels Linseed Company.
To: Armstrong Bureau of Related Industries.
Subject: Quotation in Tallabega, Ala.

The Tallabega Hdwe. Company, of Tallabega, Ala., reports that on Nov. 22nd subscriber #1 quoted them a price of $1.52, raw cooperage from warehouse, for January forward. This price does not correspond with subscriber No. 1's filed prices, and request that you bulletin this subscriber with the idea of finding out whether such quotation has been made.

Very truly yours,

ARCHER-DANIELS LINSEED CO.

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849 [Copy.]

Market Letter #997—Flaxseed Crushing Industry—December 1, 1919.

REPORTED QUOTATION TO FORBES MFG. COMPANY, HOPKINSVILLE, KY., BY SUBSCRIBER #1.

Subscriber #1 please reply.

MINNEAPOLIS, MINN., *Nov. 29, 1919.*

From: Archer-Daniels Linseed Co.
To: Armstrong Bureau of Related Industries.
Subject: Quotation by subscriber #1 in Hopkinsville, Ky.

Forbes Mfg. Company, of Hopkinsville, Ky., report that the American Linseed Company had quoted them a price for raw cooper-

age from warehouse of $1.62 for prompt shipment, in line with subscriber 1's filed prices on that date, and we request you find out if this information is correct.

Very truly yours,

ARCHER-DANIELS LINSEED CO.

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850 [Copy.]

Market Letter No. 998—Flaxseed Crushing Industry—December 1, 1919.

REPLY TO MARKET LETTER #960—COMPILATION REPORT—MARKET LETTER #927—REPORTED SALE TO M., ST. P. & S. S. M. RY.

MINNEAPOLIS, MINN., *November 29, 1919.*

From: Midland Linseed Products Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago.

Replying to your market letter No. 960.

The sale of 15 barrels of boiled linseed oil to the Soo Line, being a small sale, was included at the end of the week with other small sales, and the clerk making the report overlooked the fact that the price was not our filed price. This was entirely unintentional, and among a very large number of items this discrepancy was overlooked.

Yours very truly,

MIDLAND LINSEED PRODUCTS CO.

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851 [Copy.]

Market Letter No. 1000—Flaxseed Crushing Industry—December 3, 1919.

REPORTED QUOTATION IN KANSAS CITY MARKET BY SUBSCRIBER #9.

Subscriber #9 please reply.

DECEMBER 1, 1919.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Illinois.

GENTLEMEN: Our records indicate that the Northern Linseed Oil Co. on November 24th at 10 a. m. filed their price as follows:

Zone 1, full carlots, direct shipment, spot, $1.75.
November-March 1.75.
April-September 1.60.

Under date of November 28th, our Kansas City representative advises that the A. S. Barada Co., representing the Northern Linseed Oil Co., at Kansas City, quoted in that market on November 28th spot oil at $1.75, raw basis.

Will you kindly bulletin subscriber #9 as to the truth or falsity of this report?

Yours, very truly,

-- (Signed) F. K. QUINE,
Manager, Oil Sales Dept.
American Linseed Oil Company.

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852 [Copy.]

Market Letter No. 1002—Flaxseed Crushing Industry—December 2, 1919.

REPORTED SPECIAL TERMS IN MEMPHIS, TENN., MARKET.

Subscribers #3 and #5 please reply.

BUFFALO, N. Y., *December 1, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

GENTLEMEN: Our Memphis, Tenn., representative reported by wire on the 25th ult. that, inasmuch as his competitors were selling oil at $178, basis raw oil in cooperage Memphis store delivery, it was impossible for him to make sales at our price as published at $1.81, "freight allowed" Memphis from St. Louis.

We wired in reply that there must be some mistake and that he had, in all probability, heard of competitors prices on their direct shipment basis. We now have his letter of the 27th ult. stating that both the representatives of subscribers Nos. 3 and 6 were selling spot store delivery at $1.78, which, if true, is 3¢ per gallon under the price lists as filed by both subscribers.

Therefore, will you please bulletin this letter to both of these subscribers in the endeaver to ascertain whether or not our representative has been misinformed.

Yours, very truly,

SPENCER KELLOG & SONS, INC.,
(Signed) V. H. HUNTER,
General Sales Manager.

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853 [Copy.]

Market Letter No. 1005—Flaxseed Crushing Industry—December 2, 1919.

REPLY TO MARKET LETTER #975, REQUESTING ADDITIONAL INFORMATION ON MARKET LETTER #945, IN REGARD TO REPORTED QUOTATION BY PITTSBURGH REPRESENTATIVE OF SUBSCRIBER #6.

(See Also Market Letters #921, 934 & 938.)

From: Midland Linseed Products Co., Minneapolis, Minnesota.
To: Armstrong Bureau of Related Industries, 11 S. LaSalle St., Chicago, Illinois.
Subject: Replying to your market letter #975:

1. We enclose herewith copy of telegram which our Pittsburgh agent sent to Lewis & Bennett Hardware Company, of Wilkes-Barre, Pa., and Louis C. Thompson, of Pottsville, Pa., which we trust will satisfy subscriber #12.

2. We will add, however, that we believe that our previous answer should have been entirely satisfactory and will be glad to have subscriber #12 explain in what particular our previous answer was not straightforward and right to the point.

Yours very truly,

MIDLAND LINSEED PRODUCTS CO.

[Telegram—Copy.]

PITTSBURGH, PA., *11/6/19.*

LEWIS & BENNETT HDWE. CO.,
Wilkes-Barre, Pa.

We offer car January, dollar fifty-two, delivered Wilkes-Barre. Suggest purchase and prompt action.

MIDLAND LINSEED PRODUCTS CO.

[Telegram—Copy.]

PITTSBURGH, PA., *11/6/19.*

We offer linseed oil for delivery from January to September, inclusive, at dollar fifty-five per gallon f. o. b. Reading, and suggest you cover your requirements, particular for January-June. The price tendency is upward and I believe the low point has been reached. Would appreciate your quick acceptance by wire.

JAMES FORRESTER.

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854 [Copy.]

Market Letter No. 1012.—Flaxseed crushing industry—December 4, 1919.

REQUESTING INFORMATION ON SALE BY DALLAS AGENT OF SUBSCRIBER #3 TO REPRESENTATIVE OF SUBSCRIBER #11.

Subscriber #3 please reply.

CLEVELAND, OHIO, *November 26, 1919.*

To: Armstrong Bureau of Related Industries, Chicago, Ill.
From: Mr. E. E. Stahl, Asst. Mgr. of Sales, Linseed Oil Department, The Sherwin-Williams Co., Cleveland, Ohio.
Subject: Linseed oil market, Dallas.

On October 27th the filed price of subscriber No. 3 for linseed oil in zone No. 7, in which Dallas is located, was $1.78 per gallon basis, raw, carlots.

We are in receipt of invoice No. 619, bearing date of October 27th, covering a purchase of 25 barrels raw and 25 barrels boiled oil from subscriber No. 3, which was purchased through their Dallas agent, Mr. T. S. DeForest. This oil was invoiced to us at a price of $1.88 per gallon basis, raw, cooperage, or 10¢ per gallon higher than subscriber No. 3's price with the bureau.

At the regular charge of 3¢ for warehouse delivery we should have been charged at a price not greater than $1.81 per gallon on these 50 barrels. Our Dallas office advises when subscriber No. 3 makes L. C. L. deliveries from their local warehouse, they charge a premium of 10¢ per gallon over their market price.

In view of the fact that subscriber No. 3's filed price of oil f. o. b. warehouse is 3¢ more than cars, cooperage, we are at loss to understand the methods of subscriber No. 3's representative and would like this action explained to us, and ask that you bulletin them in this respect.

Yours very truly,

(Signed) THE SHERWIN-WILLIAMS COMPANY,
E. E. STAHL,
Asst. Mgr. of Sales,
Linseed Oil Department.

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855 [Copy.]

Market Letter No. 1020—Flaxseed crushing industry—December 6, 1919.

TENTATIVE REPLY TO MARKET LETTER #977, SUPPLEMENTARY INFORMATION ON MARKET LETTER #854, REPORTED SPECIAL ALLOWANCE BY SAN FRANCISCO REPRESENTATIVE OF SUBSCRIBER #1.

(See also market letter #900 and #904.)

NOVEMBER 28, 1919.

From: F. K. Quine, Oil Sales Manager, American Linseed Co., New York.

To: Armstrong Bureau of Related Industries, Chicago.

Subject: Reply to market letter #977.

We have taken up the matter of delivery by our San Francisco manager in customers' drums or barrels at our tank differential and will have a reply from him which we will send to you, both with respect to his custom at San Francisco and at Los Angeles. I have very plainly advised him that a practice of this sort must not be continued if he has been doing it.

Yours very truly,

(Signed) W. F. PLATT, Jr.,
Manger Oil Eales Dept.

856 [Copy.]

Market Letter No. 1021—Flaxseed Crushing Industry—December 8, 1919.

TENTATIVE REPLY TO MARKET LETTER #1000, REPORTED QUOTATION IN KANSAS CITY MARKET BY SUBSCRIBER #9.

DECEMBER 5, 1919.

From: Northern Linseed Oil Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries.
Subject: Market letter #1000, reported quotation at Kansas City.

1. Replying to the above, beg to advise that we have had no sale reported to us, neither have we issued a contract since November 24th at $1.73 raw basis by our Kansas City representative.

2. We are of the opinion that if such a quotation was made by them they should have received the order. However, we are taking the matter up direct with our Kansas City representatives and immediately upon receipt of their report will advise further.

Yours truly,

NORTHERN LINSEED OIL CO.,
(Signed) J. W. BRUNETTE.

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857 [Copy.]

Market Letter No. 1023—Flaxseed Crushing Industry—December 8, 1919.

DIRECT SHIPMENT PRICES GRANTED ON DELIVERY FROM STOCK AT DISTRIBUTING POINTS.

All subscribers please reply.

MINNEAPOLIS, MINN., *Dec. 6, 1919.*

From: Midland Linseed Products Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago.

We have obtained information recently, on what we consider reliable authority, that some of our competitors are carrying linseed oil at distributing points and are loading this oil in full carload lots and switching it to customers' sidings in the same city, giving them the benefit of their carload direct shipment price. Such customers are not giving us their usual amount of business, because they can get delivery from stock from our competitors in carload lots at the same price that we charge for shipment from the mill, and shipment from the mill requires a couple of weeks in transit, so it is greatly to the customers' advantage to buy for delivery from our competitors.

It does not seem to us that this is good merchandising practice, nor that it is in keeping with the spirit of the Armstrong contract. Will you please bulletin all subscribers and find out whether or not any of them have followed this practice; and if so, have them state particulars?

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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858 [Copy.]

Market Letter No. 1024—Flaxseed Crushing Industry—December 8, 1919.

REPLY TO MARKET LETTER #970, REPORTED HANDLING OF RESALE OIL BY BOSTON REPRESENTATIVE OF SUBSCRIBER #6.

DECEMBER 2, 1919.

From: Midland Linseed Products Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries.
Replying to your market letter #970:

We enclose herewith copy of a letter just received from our Boston agent, from which you will note that he has neither sold any oil below our authorized price nor handled any foreign oil.

He also advises that the Acme Oil Co. have not handled any oil other than the Midland brand.

It is evident, therefore, that subscriber No. 1 is mistaken in their conclusion.

Yours very truly,

MIDLAND LINSEED PRODUCTS CO.

[Copy.]

BOSTON, MASS., *November 29, 1919.*

MIDLAND LINSEED PRODUCTS CO.,
Minneapolis, Minn.

GENTLEMEN: I have yours of the 26th inst. regarding the Acme Oil Co.

Please be advised that they have not sold any oil at other than the authorized price; neither have they handled any foreign oil.

The Acme Oil Co. has never handled any oil but the Midland, have no intentions of handling any other oil, and furthermore would not handle any other oil without first taking the matter up with you.

I have lost quite a number of orders for linseed oil, the prospective customers claiming my price was higher than others were quoting. However, I do not credit such statement, and if I did I guess it would take all of my time chasing down such rumors.

Yours very truly,

C. E. GALE.

859 [Copy.]

Market Letter #1028—Flaxseed Crushing Industry—December 9, 1919.

REPORTED SALE TO SHERWIN-WILLIAMS CO., KANSAS CITY, MO.

All subscribers please reply.

Kindly state whether or not you secured this business, giving full particulars.

DECEMBER 8, 1919.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On Friday, December 5th, we quoted through our Kansas City agents, Sherwin-Williams Company, $1.75 March and $1.60 April and declined to quote on one car each January-February. The customer has informed us that they purchased the car each January/April, inclusive, and that the prices at which they bought for March and April were lower than the prices which we quoted, and they inform us further that they purchased from a council member. Will you please bulletin all subscribers, asking who made the sale in question and at what prices?

Yours, very truly,

SPENCER KELLOGG & SONS, INC.,
(Signed) V. A. ACER,
Acting General Sales Manager.

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860 [Copy.]

Market Letter #1029—Flaxseed Crushing Industry—December 9, 1919.

REPORTED SALE TO CERTAIN-TEED PRODUCTS CORPORATION, ST. LOUIS, MO., BY SUBSCRIBER NO. 1.

Subscriber #1 please reply.

BUFFALO, N. Y., *December 8, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Linseed oil.

GENTLEMEN: Our St. Louis representative advises us that under date of December 1st he was asked by Certain-teed Products Corporation for price on 200 bbls. each January/February/March and April, warehouse delivery. He quoted $1.78 January/February/March and $1.63 April.

He now advises that an order for the 800 bbls. was placed with subscriber No. 1 at $1.78 January and February, $1.73 March, and $1.63 April. At that time the latest advice we had regarding the

prices of this subscriber was contained in wire from the bureau dated November 29th, stating that subscriber #1's March price was changed to $1.70 carloads cooperage zone 1, if taken in equal quantities in connection with April/May.

We would like to have you bulletin this subscriber regarding this sale, as, if taken on the basis outlined above, it does not seem to accord with his filed prices, in that our understanding is that a customer would have to purchase both April and May to obtain advantage of their 5c reduction in their price for March.

Yours, very truly,

SPENCER KELLOGG & SONS, INC.,
(Signed) V. A. ACER,
Acting General Sales Manager.

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861 [Copy.]

Market Letter No. 1030—Flaxseed Crushing Industry—December 9, 1919.

COMMENT ON MARKET LETTER #1005 AND CLEARING REPORTED QUOTATION BY PITTSBURGH REPRESENTATIVE OF SUBSCRIBER NO. 6.

(See also market letters #921, 934, 938, 945, and 975.)

BUFFALO, N. Y., *December 8, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Market letter No. 1005.

GENTLEMEN: The second paragraph of letter to the bureau from subscriber No. 6, as quoted in market letter No. 1005, seems to call for further comment from us.

Let us say at the outset that the previous answer of this subscriber should have been entirely satisfactory. Moreover, it would have been, and this office would not have followed the subject further, had it not been for the fact that we overlooked the fact that a sale had been made to Lewis & Bennett Hardware Company, of Wilkes-Barre, Pa., by subscriber No. 1 at a price below the filed price of this subscriber. As a matter of fact, we had reason to know that Lewis & Bennett Hardware Company, of Wilkes-Barre, purchased a car of oil at a price 2¢ below our schedule, and when we received information from Lewis C. Thompson, of Pottsville, Pa., advising us that subscriber No. 6 had quoted $1.50, we concluded that subscriber No. 6 had quoted the $1.50 price in both instances.

We trust this will explain to the satisfaction of subscriber No. 6, as well as other subscribers, why we followed the matter through further.

Yours, very truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) V. A. ACER,
Acting General Sales Manager.

862 [Copy.]

Market Letter No. 1032—Flaxseed Crushing Industry—December 10, 1919.

COMPILATION REPORT—MARKET LETTER #958—REPORTED SALE TO KUHN PAINT & VARNISH WORKS, HOUSTON, TEXAS.

In the file of replies on above, completed this day, 11 subscribers merely state in effect that they have made no recent quotation or sale to the concern in question.

If the sale reported by Midland Linseed Products Co. is the one in question, the inquiring subscriber evidently did not have the facts in the case, as will be seen by their letter published below.

We are also publishing comment from Spencer Kellogg & Sons, Inc., on this situation.

Midland Linseed Products Co. (11/25/19):

"We sold the Kuhn Paint & Varnish Co. on November 13th a car of linseed oil prompt direct shipment at $1.74 basis raw, Houston, Texas, our regular published price."

Spencer Kellogg and Sons, Inc. (11/24/19):

"Our records do not show a carload sale to Kuhn's Paint & Varnish Works, Houston, Tex., at any time on or about as mentioned in inquiry as made by subscriber No. 1 under date of November 19th.

"The fact of the matter is that we do not consider the buyer involved as entitled to delivery in carload quantities, and for this reason it has been some little time since we have received inquiries from them when in the market for carload shipments."

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863 [Copy.]

Market Letter No. 1037—Flaxseed Crushing Industry—December 12, 1919.

(Excerpts from minutes of December 3d meeting.)

27. Secretary's report: The secretary briefly reported that the service contract had been revised and brought up to date, and the printed copies were now ready for distribution.

28. He pointed out that the only change in this instrument which had not been covered by motion for approval of the entire council was the matter of changing the date of the contract year therein from September first to October first.

29. This change in the date of the contract year had been made by the bureau, he advised, because of the fact that the yearly crushing statistics on which the contract is based, being taken from October first to September thirtieth, had created an awkward situation

in the old contract provisions where the contract year dated from September first.

30. He stated that if there was no objection to this change it would stand approved, and that the proper adjustments would be made in the billing of the service charge by the bureau.

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864 [Copy.]

Market Letter No. 1037—Flaxseed Crushing Industry—December 12, 1919.

(Excerpts from minutes of December 3d meeting.)

51. There was then a discussion of the cost to the seller of carrying linseed oil for the buyer after the contract period for the taking of such oil had expired.

52. It was shown in this discussion that a very substantial expense to the seller was involved, and that any failure to recognize such an expense would develop an unfair merchandising practice, and that the council to anticipate that situation should definitely record itself to that end.

53. It was the sense of the meeting that this council should recognize the fact that an average cost to the seller for carrying oil for the buyer over the time of the contract period for taking such oil represents not less than one cent per gallon per month, or fraction thereof, and that this matter should receive the immediate and full consideration of all, and each should report such merchandising policies as he shall have individually instituted to cover the same not later than January 1st, 1920.

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865 [Copy.]

Market Letter No. 1041—Flaxseed Crushing Industry—December 13, 1919.

REPLY TO MARKET LETTER #997—REPORTED QUOTATION TO FORBES MFG. COMPANY, HOPKINSVILLE, KY., BY SUBSCRIBER #1.

NEW YORK, *December 11, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In reply to market letter No. 997, we wish to advise that we have been advised by our St. Louis office that our representative called at the Forbes Mfg. Co., of Hopkinsville, Ky., about October 22nd or 23rd and quoted them a price for prompt shipment at $1.73 per gallon raw basis, f. o. b. St. Louis, in five barrel lots

and for January forward shipment at $1.63 per gallon raw basis, f. o. b. St. Louis, in five barrel lots, but no business resulted.

Yours, very truly,

AMERICAN LINSEED COMPANY,
(Signed) W. F. PLATT, Jr., *Oil Sales Dept.*

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866 [Copy.]

Market Letter No. 1044—Flaxseed Crushing Industry—December 13, 1919.

TENTATIVE REPLY TO MARKET LETTER #1026—REPORTED SALE TO HULMAN & CO., MATTOON, ILL., AT SUBSCRIBER'S ZONE TWO PRICE.

BUFFALO, N. Y., *Dec. 11, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Answering market letter 1026, we have never sold oil to Hulman & Co. of Mattoon, Ill., although we do sell them continually at Terre Haute, Ind. Moreover, our representatives at Terre Haute have never, to our knowledge, quoted less than carload shipments on a freight allowed basis. We are, however, taking this matter up with them to ascertain whether or not they have ever quoted Hulman & Company of Mattoon or Terre Haute on any such basis.

Yours truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) V. A. ACER,
Acting General Sales Manager.

---

867 [Copy.]

Market Letter No. 1048—Flaxseed Crushing Industry—December 15, 1919.

REPLY TO MARKET LETTER #996—REPORTED QUOTATION TO THE TALLABEGA HDWE. COMPANY, TALLABEGA, ALA., BY SUBSCRIBER #1.

NEW YORK, *Dec. 13, 1919.*

ARMSTRON BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In reply to market letter No. 996, we wish to advise that we have neither quoted nor sold Tallabega Hardware Company of Tallabega, Ala.

Yours, very truly,

AMERICAN LINSEED COMPANY,
(Signed) W. F. PLATT, Jr., *Oil Sales Dept.*

868 [Copy.]

Market Letter No. 1053—Flaxseed Crushing Industry—December 16, 1919.

LEGAL EXCEPTIONS.

It is evident from our records that letters from subscribers to the bureau are carrying an increasing number of phrases to which we must take legal exception.

This seems partly due to the fact that such correspondence is being handled by individuals who are evidently new to the service and not experienced in its legal requirements.

It will be readily seen that, if the bureau is continually compelled to return letters for legal exceptions by reason of the fact that a wrong interpretation can be placed upon their phraseology, council members are not only wasting their valuable time and ours but quite often important subjects are thus materially delayed in clearance.

For the good of the service we must therefore insist that this matter be given very careful consideration by all those who find that these errors in their offices are on the increase. This is something which must be remedied by the subscribers themselves through their own educational work, as it can not possibly be done by the bureau.

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869 [Copy.]

Market Letter No. 1054—Flaxseed Crushing Industry—December 16, 1919.

REPORT OF MERCHANDISING POLICY CARRYING CHARGE AND FREIGHT RATES.

(See market letter #1037, paragraphs 53–5.)

MILWAUKEE, WIS., *Dec. 15, 1919.*

To: Armstrong Bureau of Related Industries, Chicago.
From: William O. Goodrich Company.
Subject: Minutes of meeting of the Linseed Crushers' Industrial Council, held on Wednesday, Dec. 3rd, 1919.

Answering your market letter #1037, paragraph #53, our new contracts, which we are just getting out, will stipulate our carrying charge of oil of 1¢ per gallon per month or fraction thereof instead of a ½¢ as heretofore.

Yours truly,

WILLIAM O. GOODRICH COMPANY.

BUFFALO, N. Y., *Dec. 5, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Change in linseed-oil contracts to make storage charge of 1¢ per gal. per month and any advance in railway freights for account of the buyer.

GENTLEMEN: We favor the storage charge. We are opposed to making the charge for any advance in railway freights for account of the buyer, because:

1. It has never been the custom of our industry to do so, and unless some substantial benefit will accrue to us we do not believe in doing it.

2. In making the change, we attract attention to ourselves in an undesirable manner as putting a new burden on our customers and that for a really very paltry amount.

3. We can protect ourselves by keeping a sufficient margin between our cost and selling prices to take care of any expected advance in freights.

Very truly yours,

SPENCER KELLOGG & SONS, INC.,
(Signed) HOWARD KELLOGG,
General Manager.

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870 [Copy.]

Market Letter No. 1057—Flaxseed Crushing Industry—December 17, 1919.

REPORTED SALE TO AMERICAN RADIATOR CO., CHICAGO, ILL.

All subscribers please reply.

DECEMBER 15, 1919.

From: Northern Linseed Oil Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago, Ill.
Subject: Sale to American Radiator Company, Chicago, for Kansas City Delivery.

1. We are advised by our Chicago representative that on December 10th they quoted the American Radiator Company on one tank car of raw linseed oil for Kansas City delivery at our regular filed price of $1.80, basis raw, freight allowed Kansas City for January shipment.

2. Our representative insists that this purchase was made at approximately $1.70, delivered Kansas City, and we would thank you to bulletin subscribers to ascertain whether the sale was made by a council member and at what price.

Yours very truly,

NORTHERN LINSEED OIL CO.,
(Signed) J. W. BRUNETTE.

871 [Copy.]

Market Letter No. 1058—Flaxseed Crushing Industry—December 17, 1919.

REPORT OF MERCHANDISING POLICY OF CARRYING CHARGE BY SUBSCRIBER #3.

(See market letter #1054.)

DECEMBER 15, 1919.

From: Archer-Daniels Linseed Company.
To: Armstrong Bureau of Related Industries.
Subject: Carrying charges.

In compliance with market letter #1037 would say that our carrying charge over the time of the contract period will be from this date forward 1¢ per gallon per month.

Very truly yours, .

ARCHER-DANIELS LINSEED COMPANY.

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872 [Copy.]

Market Letter No. 1060—Flaxseed Crushing Industry—December 18, 1919.

REPLY TO MARKET LETTER #976—REPORTED CONCESSION IN PRICE IN COLUMBUS, OHIO, MARKET BY SUBSCRIBER #3.

MINNEAPOLIS, MINN., *Dec. 18, 1919.*

From: Archer-Daniels Linseed Company.
To: Armstrong Bureau of Related Industries.
Subject: Reported concession in price at Columbus, Ohio.

In reply to market letter 976 would say that on Oct. 7th we accepted some business in Columbus, Ohio, at $1.53 per gallon raw cooperage from warehouse for January–Sept. shipment, our filed price at that time. This is undoubtedly the business which subscriber #6 refers to.

ARCHER-DANIELS LINSEED COMPANY.

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873 [Copy.]

Market Letter No. 1069—Flaxseed Crushing Industry—December 19, 1919.

REVISION OF CARRYING CHARGE BY SUBSCRIBER #3.

(See market letter #1058.)

MINNEAPOLIS, MINN., *December 18, 1919.*

From: Archer-Daniels Linseed Co.
To: Armstrong Bureau of Related Industries.
Subject: Change in carrying charge.

After some consideration we have decided to again reduce our carrying charge to ½¢ per gallon per month. Subscriber 12's re-

marks in ma ket letter 1054 it seems to us are extremely sensible and sum up better than we can our own reasons for returning to our ½¢ charge.

Very sincerely yours,

ARCHER-DANIELS LINSEED CO.

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874 [Copy.]

Market Letter No. 1070—Flaxseed Crushing Industry—December 20, 1919.

REPLY TO MARKET LETTER #1029—REPORTED SALE TO CERTAIN-TEED PRODUCTS CORPORATION, ST. LOUIS, MO., BY SUBSCRIBER #1.

NEW YORK, *December 18, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Replying to market letter No. 1029, in respect to sale made to the Certain-teed Products Company, we wish to advise that we did make the sale on the basis as outlined by subscriber No. 12.

The irregularity of this sale was overlooked when reported to this office, as Mr. Quine had left for Chicago to attend your meeting.

We have written to our St. Louis office advising them that they exceeded their authority in making a sale of this kind, i. e., selling March at our March price without including April and May.

We have given them further instructions and upon receipt of their reply will forward to you an explanation.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) W. F. PLATT, Jr.,
Oil Sales Dept.

NEW YORK, *December 18, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Further in respect to market letter No. 1029, we regret to advise that we have thrashed this matter out thoroughly with our representative at St. Louis and have tried in several ways to rectify this mistake, but find that sale will have to stand.

Regretting this occurrence, we remain,

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) W. F. PLATT, Jr.,
Oil Sales Dept.

875 [Copy.]

Market Letter No. 1074—Flaxseed Crushing Industry—December 22, 1919.

FINAL REPLY TO MARKET LETTER #969—REPORTED SALE IN LOS ANGELES TERRITORY BY REPRESENTATIVE OF SUBSCRIBER #1.

(See also market letter #987.)

NEW YORK, *December 12, 1919.*

Received December 15th and returned for necessary correspondence.)

From: F. K. Quine, oil sales manager, American Linseed Co., New York.

To: Armstrong Bureau of Related Industries, Chicago.

Subject: Complaint of subscriber #12, of reported sales in Los Angeles.

Further with respect to this matter, that it had been reported our people in Los Angeles were quoting and selling for delivery at that point, allowing the customer our car-lot price for delivery in trucks within 48 hours.

Under date of December 6th we have a letter in which they advise that they have not booked any carload orders for delivery over a twenty-four hour period at our carload price. In fact they have not made any carload sales in the past two months from our Los Angeles station.

Yours very truly,

AMERICAN LINSEED COMPANY,

(Signed) F. K. QUINE,

Manager, Oil Sales Dept.

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876 , [Copy.]

Market Letter No. 1077—Flaxseed Crushing Industry—December 22, 1919.

REPORTED SALE TO FAIRMONT WALL PLASTER COMPANY, FAIRMONT, W. VA.

All subscribers please reply.

BUFFALO, N. Y., *Dec. 20, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On December 17th we quoted the Fairmont Wall Plaster Company of Fairmont, West Virginia, our filed price of $1.71 per gallon basis raw carloads direct shipment, on one car April shipment freight allowed to Fairmont. The customer advises

us by letter that they have placed the business elsewhere at a price lower than that which we quoted. Will you kindly bulletin council members so that we may learn who made this sale and the price at which it was made?

Yours very truly,

SPENCER KELLOGG & SONS, INC.,
(Signed) V. A. ACER,
Acting General Sales Manager.

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877 [Copy.]

Market Letter No. 1078—Flaxseed Crushing Industry—December 22, 1919.

FINAL REPLY IN THE MATTER OF REPORTED SPECIAL ALLOWANCE BY SAN FRANCISCO REPRESENTATIVE OF SUBSCRIBER #1.

(See market letters #854, 900, 904, 977, and 1020.)

While the following is marked "Reply to market letter #1035," it also replies to market letter #904, and is therefore published in this connection.

NEW YORK, *December 18, 1919.*

(Received by the bureau 12/22.)

From: F. K. Quine, manager oil sales department, American Linseed Co., N. Y.

To: Armstrong Bureau of Related Industries, Chicago.

Subject: Reply to market letter #1035.

In reply to above letter. We are very glad to say in respect to the inquiry of the Midland Linseed Products Company that we do not allow contract or other customers to send their barrels to our tank stations and give them a differential of 5¢ under our warehouse price or direct shipment price for oil in customers' own containers.

This question was brought up recently through the bureau on an inquiry from the Spencer Kellogg Co., as we remember, advising that their agent in San Francisco had reported that we were doing this at that point. Our San Francisco agent denies granting any such privilege and our records do not divulge deliveries on this basis.

Our accounting on the coast is not handled as most of our other stations are, that branch conducting the business in all its details down to invoicing and carrying its own accounts, which we do not pass through our general books at New York in detail.

We shall be very glad to have an representative of crushers confirm to us the fact that our representative at that point or at any

point, has been granting any such privilege. We think it is entirely wrong, and certainly buyers are not entitled to our bulk differential on oil delivered in this manner.

Yours very truly,

(Signed) AMERICAN LINSEED COMPANY,
F. K. QUINE,
Manager, Oil Sales Dept.

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878 [Copy.]

Market Letter No. 1082—Flaxseed Crushing Industry—December 23, 1919.

COMMENT ON MARKET LETTER #1069—REVISION OF CARRYING CHARGE BY SUBSCRIBER #3.

(See also market letters #1054 & 1058.)

DECEMBER 23, 1919.

From: Armstrong Bureau of Related Industries.
To: Archer-Daniels Linseed Company, Minneapolis, Minnesota.
Subject: Your letter of the 18th revising your carrying charge back to your original figures.

It is in order for the bureau to comment on your communication above referred to, and published in market letter #1069, as exemplifying an "over night" change in policy which is hardly in keeping with the constructive cooperation of your company to date, and which cannot operate to the best interests of the industry.

You will remember that a general review of this cost question indicated that one cent per gallon per month was a fair carrying charge and would not any more than cover the cost of such service.

It is constructive merchandising and wholly lawful for any group of manufacturers to arrive at conclusions regarding costs, and it is not fair merchandising for any seller to merchandise at less than cost.

With these facts clearly in mind, the recommendations were made at the last meeting and fully supported, and as the records show, those council members instituting this merchandising policy have unquestionably sent out a notification to their trade.

On December 15th you announced a support of that policy published in market letter #1058, and on December 18th you reversed your decision, based on deductions made by subscriber #12 in his letter published in market letter #1054, which hardly seems to have any bearing on this question of carrying charge, as subscriber #12 comments only on the question of variations in freight rates, and you will readily see that if the bureau does not do what it can to prevent vacillation in matters of possibly minor importance, which this may represent—we may be confronted with the same undesirable situa-

tion when merchandising questions of greater importance must be handled with dispatch and certainty for the best interests of the industry and the trade.

Under the circumstances, the bureau asks your further consideration.

(Signed) JULIAN ARMSTRONG.

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879 [Copy.]

Market Letter No. 1085—Flaxseed Crushing Industry—December 24, 1919.

REPORTED QUOTATION TO CONTINENTAL OIL CO., MINNEQUA, COLO.

All subscribers please reply.

DECEMBER 22, 1919.

From: Archer-Daniels Linseed Co.
To: Armstrong Bureau of Related Industries.
Subject: Quotation to Continental Oil Company, Minnequa, Colo.

On December 17th we wired Continental Oil Company at Denver, Colo., giving them our price of $1.82 Omaha basis or $1.89 Minnequa, Colo., basis tank boiled for prompt shipment. At the same time we quoted them 10¢ less for January shipment or $1.72 Omaha basis, $1.79 basis Minnequa. In their letter of December 18th they have advised us that they were quoted a very much better figure than ours, shipment to be made promptly by a representative crusher.

We request that you bulletin all subscribers in an effort to discover who made this quotation and sale.

Very truly yours,

ARCHER-DANIELS LINSEED COMPANY.

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880 [Copy.]

Market Letter #1086—Flaxseed Crushing Industry—December 24, 1919.

FURTHER INFORMATION REQUESTED ON REPORTED CONCESSION IN PRICE IN COLUMBUS, OHIO, MARKET BY SUBSCRIBER #3.

(See market letters #976 and 1060.)

Subscriber #3 please reply.

MINNEAPOLIS, MINN., *Dec. 22, 1919.*

From: Midland Linseed Products Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago.
Replying to your market letter #1080.

The business which we refer to was not the business which subscriber #3 booked on October 7th. The business we refer to was accepted by them on October 9th, and we wish you would kindly in-

quire from them as to whether or not they accepted business on October 9th at $1.53 for delivery from warehouse. They state that they accepted business at this price on October 7th, but they do not deny the fact that they also accepted business at this price on October 9th. Our Columbus agents stated emphatically that the Archer-Daniels Co. accepted business on the 9th, and we would like, therefore, a direct answer to the question so we can inform our Columbus agents they are wrong providing the business was not accepted as stated.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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881 [Copy.]

Market Letter No. 1087—Flaxseed Crushing Industry—December 24, 1919.

DELIVERIES FROM WAREHOUSE AT SUBSCRIBER #1'S CARLOAD PRICE, ALSO A QUESTION OF TERMS.

Subscriber #1 please reply.

MINNEAPOLIS, MINN., *Dec. 18th, 1919.*

(Received December 19th and held for necessary correspondence.)

From: Archer-Daniels Linseed Company.

To: Armstrong Bureau of Related Industries.

Subject: Deliveries made from warehouse at carload price by subscriber #1.

We are in receipt of letter dated Dec. 15th from our agent at Richmond, Va., which reads as follows:

"We have taken the matter up with nearly every buyer of oil in town. We find that the American Linseed Company have a tank station here situated on the C. & O. R. R. Co., and they now have made the rule that buyers of carload lots will have their goods placed in a car and switched to the buyer's siding or to the R. R. delivery tracks. Their central location enables them to load the car and switch to almost any portion of the city within 24 hours after receiving the order, and if the car is loaded, say on the 15th, they will bill the goods, dating the invoice the 16th, the date the goods are actually delivered, and allowing a 10-day discount period from this date."

From this communication we have gained the impression that subscriber #1 is delivering oil from his warehouse at Richmond in car lots and invoicing on car load basis when this oil is taken

within 24 hours. As we understand it, subscribers have passed a resolution at a previous meeting of the Armstrong Bureau that such an arrangement was to obtain only in mill towns. Inasmuch as Richmond is not a mill town, we are wondering if American Linseed Company will not want to advise their agent at that point that it will not be possible for him to make deliveries from warehouse at their carload prices.

We are also under the impression that the American Linseed Company's terms were 30 days cash or 1% discount if oil was paid for within 10 days after date of invoice. If this is the case, is it not customary to date invoice the day shipment is made?

Will you please bulletin subscriber #1 on these questions and oblige

Yours very truly,

ARCHER-DANIELS LINSEED COMPANY.

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882 [Copy.]

Market Letter No. 1097—Flaxseed Crushing Industry—December 27, 1919.

REPLIES TO MARKET LETTER #1002—REPORTED SPECIAL TERMS IN MEMPHIS, TENN., MARKET.

Archer-Daniels Linseed Company (12/23/19); received by the bureau (12/27/19):

"We are just in receipt of wire from our agent at Memphis this morning calling attention to corrected invoices of Nov. 24th, 25th, and 28th, respectively. On Novermber 24th ten drums of boiled were sold to Farrel Calhoun Paint Company at Memphis, Tenn., basis, $1.88. Invoice was sent at $1.85, however, but additional 3¢ was invoiced on Nov. 28th. The same thing occurred on an invoice to National Waterproofing Company on the sale of ten drums of raw sold at $1.86 Nov. 25th. Also on four drums of bleached sold at $1.90 on November 28th. Correction of 3¢ has in every instance been made on invoices and payment has been made by our customers."

Midland Linseed Products Co. (12/4/19):

"We wish you would kindly advise subscriber No. 12 that we have no representative in Memphis and that his Memphis agent is, therefore, mistaken in his statement that our representative is selling oil at $1.78 store door delivery, which would be further impossible because we have no stock of oil in Memphis.

"Our Memphis agent has discontinued the handling of linseed oil over a month ago and we have not yet had time to make new arrangements."

883 [Copy.]

Market Letter No. 1102—Flaxseed Crushing Industry—December 29, 1919.

TENTATIVE REPLY TO MARKET LETTER #1086—FURTHER INFORMATION REQUESTED ON REPORTED CONCESSION IN PRICE IN COLUMBUS, OHIO, MARKET BY SUBSCRIBER #3.

(See also market letters #976 and 1060.)

DECEMBER 28, 1919.

From: Archer-Daniels Linseed Company.
To: Armstrong Bureau of Related Industries.
Subject: Further information on report of concession in price in Columbus, Ohio, market.

In reply to market letter #1086, would say that further inspection of our business in Columbus, Ohio, on October 9th fails to reveal the fact that we accepted any business at $1.53 for delivery from warehouse on that date. We are writing our agent today asking him to investigate his records and to let us know if he made any such concessions in price on that date and immediately upon receipt of his reply we will give you the entire report.

We regret extremely the fact that our first report did not entirely cover the situation to subscriber #6's complete satisfaction.

Very truly, yours,

ARCHER-DANIELS LINSEED COMPANY.

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884 [Copy.]

Market Letter No. 1104—Flaxseed Crushing Industry—December 29, 1919.

THE BUREAU'S COMMENT ON MARKET LETTER #1078 AND REPLY THERETO FROM SUBSCRIBER #1, REPORTED SPECIAL ALLOWANCE BY SAN FRANCISCO REPRESENTATIVE OF SUBSCRIBER #1.

(See also market letters #854, #900, #904, #977, and #1020.)

DECEMBER 23, 1919.

From: Julian Armstrong, Armstrong Bureau of Related Industries.
To: Mr. F. K. Quine, American Linseed Company, New York City.
Subject: Your letter of the 18th incorporated in market letter #1078.

1. I note in your letter above referred to, Mr. Quine, a possible case where further amplification would be desirable. You appreciate, of course, that I don't mean to imply any evasion of the point in question in your reply thereto.

2. You will recall by reference to market letter #904 that we wrote you on this same subject on November 6th last. If I were you, I should send a further letter to the bureau on this matter, stating that you do not allow any discount for customers who furnish their own barrels, as you will see by your letter that you have only covered the question of a five cent per gallon allowance, and it seems to me this might be answered in a broader way.

3. I trust that this suggestion may meet with your approval.

DECEMBER 27, 1919.

Mr. JULIAN ARMSTRONG,
Armstrong Bureau of Related Industries,
11 So. La Salle Street, Chicago, Ill.

DEAR SIR: In reply to your letter of December 23d, I shall be very glad to comply with your suggestion and am writing our manager at San Francisco to-day, asking him to make a categorical reply to the question which I have several times asked him as to whether or not he has been making a practice of allowing customers a 5¢ differential where the customer brings his own barrels to be filled. I have asked him how many times and the names of the customers in which this practice has been followed and I shall be very glad to put the answer before you as soon as received.

Yours very truly,

(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

884½ [Copy.]

Market Letter No. 1107—Flaxseed Crushing Industry—December 29, 1919.

FURTHER REPLY TO MARKET LETTER #1082 REGARDING REVISION OF CARRYING CHARGE BY SUBSCRIBER #3.

(See also market letters #1054, #1058, #1069, and #1099.)

DECEMBER 28, 1919.

From: Archer-Daniels Linseed Co.
To: Armstrong Bureau of Related Industries.
Subject: Revision of carrying charge.

In reply to your market letter 1082, also personal letter from Mr. Julian Armstrong of December 23rd, wish to call attention to our letter of the 24th again changing our carrying charge back to 1¢ per gallon per month.

As we before stated, our revision to ½¢ contained in market letter 1069 was due to a misunderstanding and promptly corrected on December 24th as soon as we were aware of our mistake. It was not our intention in any way to repudiate resolutions which we had agreed to at the last meeting of the bureau.

ARCHER-DANIELS LINSEED COMPANY.

885

[Copy.]

(Subdiv. 12, Art. V.)

Market Letter No. 1111—Flaxseed Crushing Industry—
December 29, 1919.

TENTATIVE REPLY TO MARKET LETTER #1087—DELIVERIES FROM WAREHOUSE AT SUBSCRIBER #1'S CARLOT PRICE, ALSO A QUESTION OF TERMS.

Subscriber #1 please reply.

NEW YORK, *December 27, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In reply to market letter No. 1087. We have written our representative at Richmond today advising of the complaint by the Archer-Daniels Company and said to him that if he has been allowing any such privilege in Richmond as a delivery of a full carload from local stocks either by switching full car lot from our tank station to buyer's siding or railway delivery point, or delivering a full carload within 48 hours at our car-lot price, he is to immediately cease.

I have also advised him that our terms are thirty days net, or 1% for cash in ten days and that date of the invoice is the date of shipment from our mill or tank station and not date of delivery to buyer.

So far as my information goes, we were not aware that there had been any such practice in Richmond and we are now awaiting a reply from our representative as to whether he has been doing this or not.

Yours, very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Mgr. Oil Sales Dept.

CHICAGO, *December 29, 1919.*

Subscriber: American Linseed Company, Mr. F. K. Quine, Mgr. Oil Sales Dept.

From: Armstrong Bureau of Related Industries.

Subject: Your reply to market letter #1087; deliveries from warehouse at subscriber #1's carload price, also a question of terms.

1. We are impelled to comment upon the second paragraph of your letter of December 27th, Mr. Quine, since your terms of 30 days net or 1% for cash in 10 days as given in that letter do not agree with the terms last filed by you under date of January 25, 1919, and published in bureau quotation report #24 for your company. This reads "1% ten days or 30 days trade acceptance on car lots and less."

2. Since practically all of your subsequent changes in price have specified "terms as usual," the natural inference would be that the terms were as given in the quotation report referred to.

3. This point, it seems to us, should have some further explanation from you, as if you have made a more recent change in your terms it should have been reported through the bureau in the regular way.

(Signed) C. ROSENFELS.

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886 [Copy.]

Market Letter No. 1118—Flaxseed Crushing Industry—December 30, 1919.

REPORT OF MERCHANDISING POLICIES ON CARRYING CHARGES BY SUBSCRIBERS #5, 6, 9, 13 & 14.

(See market letters #1054, 1058, 1066, 1069, 1082, 1099, and 1107.)

CHICAGO, *December 29, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We are charging 1¢ per gallon for storage per month or fraction of a month, over a contract period.

Yours very truly,

HIRST & BEGLEY LINSEED WORKS.

(Signed) REQUE.

MINNEAPOLIS, MINN., *December 29, 1919.*

From: Midland Linseed Products Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago.
Subject: Replying to market letter No. 1037.

We are charging storage at the rate of 1¢ per gallon per month or fraction thereof and have embodied same in our contract.

Yours very truly,

MIDLAND LINSEED PRODUCTS COMPANY.

MINNEAPOLIS, MINN., *December 29, 1919.*

From: Northern Linseed Oil Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago.
Subject: Carrying charge.

Replying to yours of December 27th, beg to advise that for more than a year past we have made a carrying charge of 1¢ per gallon per month or fraction thereof on all contract sales, after we had, by analysis, learned that the cost of carrying was considerably more than 1¢ per gallon per month, and expect to continue the charge until such time as conditions warrant its reduction.

Yours very truly,

NORTHERN LINSEED OIL CO.,

(Signed.) J. W. BRUNETTE.

887

TOLEDO, OHIO, *December 29, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We wish to advise that we have changed our contract forms which, until further notice, will carry a clause advising that our carload charge for oil will be one cent per gallon per month or fraction thereof.

Very truly yours,

THE TOLEDO SEED & OIL COMPANY,
(Signed) GEO. A. VRADENBURG, *Vice Pres.*

BUFFALO, N. Y., *December 29, 1919.*

To: Armstrong Bureau of Related Industries.
From: The Mann Bros. Co., J. J. Mann, vice prest.
Subject: Market letter No. 1037.

From January 1st, 1920, forward, as heretofore, our carrying charge on linseed oil will be 1¢ a gallon per month or fraction thereof for all oil not taken in contract period.

Yours truly,

THE MANN BROS. CO.,
(Signed) JOHN J. MANN, *Vice Prest.*

888

[Copy.]

Market Letter No. 1119—Flaxseed Crushing Industry—December 31, 1919.

REPORTED QUOTATION TO STUDEBAKER CORPORATION, SOUTH BEND, INDIANA.

All subscribers please reply.

MILWAUKEE, WIS., *Dec. 30, 1919.*

To: Armstrong Bureau of Related Industries.
From: William O. Goodrich Company.

We quoted the Studebaker Corporation by wire yesterday a price of $1.71 per gallon f. o. b. Milwaukee, freight allowed to South Bend, on one tank car raw oil for January shipment, and were informed by them that they were quoted a better price.

Will you kindly bulletin all council members, requesting them to advise whether they quoted or sold these people, and if so, at what price.

Yours truly,

WILLIAM O. GOODRICH COMPANY.

889 [Copy.]

Market Letter No. 1125—Flaxseed Crushing Industry—January 2, 1920.

REPORTED SALE TO PENNSYLVANIA R. R. CO.

All subscribers please reply.

BUFFALO, N. Y., *Dec. 31, 1919.*

To: Armstrong Bureau of Related Industries.
From: The Mann Bros. Co., J. J. Mann, vice prest.
Subject: Request for prices quoted by other council members.

1. We recently quoted the Pennsylvania R. R. Co. on linseed oil for March and April shipment. We have quoted them our filed carload price in zone 3, which is $1.77 for March, $1.72 for April for deliveries in full or carload lots, and our zone 2 price, f. o. b. Buffalo, for deliveries in less-than-carload lots. We are informed they have purchased this oil elsewhere at a much lower figure. Will you kindly bulletin the other council members and advise us of their replies.

Yours truly,

THE MANN BROS. CO.,
(Signed) JOHN J. MANN, *Vice Prest.*

---

890 [Copy.]

Market Letter No. 1126—Flaxseed Crushing Industry—January 2, 1920.

FINAL REPLY TO MARKET LETTER #1026—REPORTED SALE TO HULMAN & CO., MATTOON, ILL., AT SUBSCRIBER'S ZONE TWO PRICE.

(See also market letter #1044.)

BUFFALO, N. Y., *Dec. 31, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Sale to Hulman & Company, Mattoon, Ill.

GENTLEMEN: Further, in reply to market letter #1026, we have now heard definitely from our Terre Haute representative, who advises that although we did sell these people at Mattoon, prepaying the freight from Terre Haute, before the beginning of the Armstrong service, we have not done so since that time and are not doing so now. We trust this will close the matter.

Yours truly,

SPENCER KELLOGG AND SONS, INC.
(Signed) V. A. ACER.
Acting General Sales Manager.

891 [Copy.]

Market Letter No. 1130—Flaxseed Crushing Industry—January 2, 1920.

COMPILATION REPORT—MARKET LETTER #1057—REPORTED SALE TO AMERICAN RADIATOR CO., CHICAGO, ILL.

From the file of replies on above, completed this day, it is evident that the sale in question was made outside of our group of council members, as all subscribers state in effect that they have neither quoted nor sold the company mentioned.

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892 [Copy.]

Market Letter No. 1131—Flaxseed Crushing Industry—January 2, 1920.

FINAL REPLY TO MARKET LETTER #1086—FURTHER INFORMATION REQUESTED ON REPORTED CONCESSION IN PRICE IN COLUMBUS, OHIO, MARKET BY SUBSCRIBER #3.

(See also market letters #976, 1060, & 1102.)

MINNEAPOLIS, MINN., *Dec. 31st, 1919.*

From: Archer-Daniels Linseed Company.
To: Armstrong Bureau of Related Industries.
Subject: Reported concession in price at Columbus, Ohio.

To complete our reply on market letter 1086 would say that we are in receipt of information to-day from our agent in Columbus to the effect that records have been examined carefully and that no sales have been made on October 9th for us at $1.53 for delivery from warehouse at Columbus.

Very truly yours,

ARCHER-DANIELS LINSEED COMPANY.

---

893 [Copy.]

Market Letter No. 1135—Flaxseed Crushing Industry—January 2, 1920.

COMMENT ON MARKET LETTER #942, REQUESTING INFORMATION REGARDING SALES OF OIL BY SAVANNAH REPRESENTATIVE OF SUBSCRIBER #12.

(See also market letter No. 962.)

CLEVELAND, OHIO,
December 31st, 1919.

To: Armstrong Bureau of Related Industries, Chicago.
From: Mr. E. E. Stahl, asst. mgr. of sales, linseed oil department, the Sherwin-Williams Company, Cleveland, Ohio.
Subject: Market letter #942.

Referring to our market letter No. 942, requesting further information regarding the sale of oil by Savannah representative of

subscriber No. 12, we take pleasure in advising that the matter has been satisfactorily explained and in this connection will thank you to bulletin all subscribers accordingly.

Yours very truly,

THE SHERWIN-WILLIAMS CO.,
(Signed) E. E. STAHL,
Asst. Mgr. of Sales,
Linseed Oil Department.

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894 [Copy.]

Market Letter No. 1137—Flaxseed Crushing Industry—January 2, 1920.

REPORT OF MERCHANDISING POLICY ON CARRYING CHARGE BY SUBSCRIBER #7.

(See market letters #1054, 1058, 1066, 1069, 1082, 1099, 1107, and 1118.)

[Telegram.]

MINNEAPOLIS, MINN., *Jan. 2, 1920.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Our carrying charge one cent per gallon per month or fraction thereof.

MINNESOTA LINSEED OIL CO.

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895 [Copy.]

Market Letter No. 1138—Flaxseed Crushing Industry—January 3, 1920.

COMPILATION REPORT—MARKET LETTER #1077—REPORTED SALE TO FAIRMONT WALL PLASTER COMPANY, FAIRMONT, W. VA.

The file of replies on the above, completed this day, fails to throw any light on the transaction in question.

11 subscribers merely state in effect that they have neither quoted nor sold the concern mentioned.

Replies from the remaining 2 subscribers are published below:

The Mann Bros. Co. (12/24/19):

"We also quoted the Fairmont Wall Plaster Co., of Fairmont, W. Va., one carload of linseed oil at $1.71, for April shipment, freight allowed to Fairmont. We did not receive any reply and assumed business was placed with some other council member. We can throw no light on who sold them the oil at a lower price."

Midland Linseed Products Co. (12/29/19):

"We quote the Fairmont Wall Plaster Co., on December 15th, a price of $1.71 raw basis, direct shipment in carload lots, during April. We did not secure the order. We were advised that they placed the order elsewhere at a lower price."

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896 [Copy.]

Market Letter No. 1139—Flaxseed Crushing Industry—January 3, 1920.

REPORT OF MERCHANDISING POLICY ON CARRYING CHARGE BY SUBSCRIBER NO. 1.

(See market letters #1054, 1058, 1066, 1069, 1082, 1099, 1107, 1118, & 1137.)

[Telegram.]

NEW YORK, *January 3, 1920.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Putting into effect today carrying charge one cent per gallon per month on deferred contract deliveries.

AMERICAN LINSEED COMPANY.

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897 [Copy.]

Market Letter No. 1141—Flaxseed Crushing Industry—January 2, 1920.

FURTHER DETAILS REQUIRED FROM SUBSCRIBER #11 ON MARKET LETTER #942 REQUESTING INFORMATION REGARDING SALES OF OIL BY SAVANNAH REPRESENTATIVE OF SUBSCRIBER #12.

(See also market letter #962.)

JANUARY 3, 1920.

From: Julian Armstrong, Armstrong Bureau of Related Industries.
To: Mr. E. E. Stahl, linseed oil department, the Sherwin-Williams Co., Cleveland, O.
Subject: Your letter of the 31st, incorporated in market letter #1135.

1. There is a point involved in your communication above referred to, Mr. Stahl, that the bureau believes it desirable to check in order

that a precedent may not be established. Your communication states that the question raised in market letter #942 has been satisfactorily explained, and evidently such information has been forthcoming to you outside of the bureau.

2. Now the point in the case is that the other subscribers may have been very much interested in the matter of market letter #942, and this closing of the question—if we permit it to close—with your communication above referred to and incorporated in market letter #1135, means that you are the only one to have received a satisfactory explanation.

3. Under the circumstances, will you supplement your communication of the 31st with complete details of the "satisfactory explanation," and hereafter, unless such correspondence is upon matters that do not pertain to your market, please remember that all communications between council members must come through the bureau.

(Signed) JULIAN ARMSTRONG.

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898 [Copy.]

Market Letter No. 1142—Flaxseed Crushing Industry—January 5, 1920.

REPORTED QUOTATIONS IN MEMPHIS, TENN., BY SUBSCRIBER #12.

Subscriber #12 please investigate and reply.

MINNEAPOLIS, MINN.,
Jan. 2nd, 1920.

From: Archer-Daniels Linseed Company.
To: Armstrong Bureau of Related Industries.
Subject: Reported quotations by subscriber #12 in Memphis.

We are in receipt of wire from our agent at Memphis, Tenn., this morning reading as follows:

"Kellogg offering January to April equal monthly delivery 1.76. Wire immediately what I can offer on this and also what price I must make for January spot."

We have immediately wired our agent to continue quoting at our price of $1.81 raw cooperage from Memphis warehouse January, February, March, and $1.76 for April. The last report on prices filed by subscriber #12 showed their prices to be basis $1.81 raw cooperage warehouse January, March, Memphis, $1.76 April.

Has subscriber #12 changed his prices without word reaching us or has their agent in Memphis made an error in quoting? Has our agent been misinformed as to prices quoted by this subscriber's

agent in Memphis? Please bulletin subscriber #12 on this subject and oblige.

Very truly yours,

ARCHER-DANIELS LINSEED COMPANY.

---

899 [Copy.]

Market Letter No. 1143—Flaxseed Crushing Industry—January 5, 1920.

COMPILATION REPORT—MARKET LETTER #1085—REPORTED QUOTATION TO CONTINENTAL OIL CO., MINNEQUA, COLO.

From the file of replies on the above, completed this day, it is evident that the sale in question was made by subscriber #6; that the details of the transaction were incorrectly reported to the inquiring subscriber.

MINNEAPOLIS, MINN., *Dec, 26, 1919.*

From: Midland Linseed Products Co.
To: Armstrong Bureau of Related Industries, Chicago.
Subject: Market letter #1085.

1. We sold the Continental Oil Company, of Denver, one tank car boiled linseed oil, January shipment, at $1.72 Omaha basis, under date of December 18th.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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900 [Copy.]

Market Letter No. 1144—Flaxseed Crushing Industry—January 5, 1920.

REPORT OF MERCHANDISING POLICIES ON CARRYING CHARGES AND FREIGHT RATES BY SUBSCRIBERS #2 AND 8.

(See market letters # 1054, 1058, 1066, 1069, 1082, 1099, 1107, 1118, 1137, and 1139.)

DES MOINES, IOWA, *1/3/20.*

From: Ankeney Linseed Mfg. Co., Des Moines, Iowa.
To: Armstrong Bureau of Related Industries, Chicago.
Subject: Merchandising policy carrying charges.

We did not make further reply to #1037, subject, merchandising policy carrying charges, as we considered our letter of November

20th in full answer to the subject, and we enclose copy of the same herein, with the exception that we have changed the words "storage charges" to "carrying charges." The term, however, in this instance means the same, as the charge is really made to cover the costs incidental to the longer storage.

Very truly yours,

(Signed) H. E. ANKENEY,
Sec'y-Treas.

[Copy.]

DES MOINES, IOWA, *11/20/19.*

From: Ankeney Linseed Mfg. Co., Des Moines, Iowa.
To: Armstrong Bureau of Related Industries, Chicago.
Subject: Requesting information on contract provisions regarding carrying charges and freight rates.

Replying to market letter #946. We beg to advise that our oil contracts do not contain any provisions in reference to carrying charges for deferred delivery in any part of the contract.

Will say here that we expect to have a new set of contracts printed soon and which will contain this provision, also the item of freight rates mentioned in market letter above and which the purchaser should be required to pay, as suggested by the subscriber making the inquiry.

Very truly yours,

ANKENEY LINSEED MFG. CO.

901 NEW YORK, *December 31st, 1919.*

(Received January 5, 1920.)

To: Armstrong Bureau of Related Industries.
From: National Lead Company.
Subject: Charge for carrying linseed for account of buyers beyond contract dates and change in transportation rates occurring between date of sale and date of shipment.

We wish to file with you the information that our charge for carrying linseed oil for account of buyers beyond delivery period is 1¢ per gallon per month or fraction of month.

We wish also to file the information that we do not make provision in the conditions of a linseed oil contract for changes in transportation rates that may occur during the life of a contract which stipulates freight to be allowed by us.

Yours very truly,

(Signed) C. T. NOLAN,
Manager.

902 [Copy.]

Market Letter No. 1149—Flaxseed Crushing Industry—January 8, 1920.

REPORT OF MERCHANDISING POLICY ON CARRYING CHARGE BY SUBSCRIBER #11.

(See market letters #1054, 1058, 1066, 1069, 1082, 1099, 1107, 1118, 1137, 1139, 1144.)

CLEVELAND, O., *Jan. 6, 1920.*

To: Armstrong Bureau of Related Industries, Chicago.
From: Mr. E. E. Stahl, mgr. of sales, linseed oil department, the Sherwin-Williams Co., Cleveland, Ohio.
Subject: Change in carrying charge.

This will be to advise you that, effective January 1, 1920, we have made our carrying charge on linseed oil $.01 per gallon per month or fraction thereof.

SHERWIN-WILLIAMS CO.,
(Signed) E. E. STAHL,
Asst. Mgr. of Sales.

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903 [Copy.]

Market Letter No. 1151—Flaxseed Crushing Industry—January 9, 1920.

FINAL REPLY TO MARKET LETTER #1087, DELIVERIES FROM WAREHOUSE AT SUBSCRIBER #1'S CARLOAD PRICE ALSO A QUESTION OF TERMS.

(See also market letters #1100, 1111, 1133.)

NEW YORK, *January 3rd, 1920.*

(Received January 5th and returned for necessary correspondence.)

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: With further reference to market letter #1087. Our representative at Richmond admits having made carlot deliveries from Richmond stocks at our carlot direct shipment price, claiming that this was in accord with permission which was given in conversation with the writer. We are not clear on this matter; but you will please be advised that we have given orders that this practice shall not be continued, but that carlot deliveries in Richmond must be made by direct shipment and not from local stocks.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) W. F. PLATT, JR.,
Oil Sales Dept.

904 [Copy.]

Market Letter #1154—Flaxseed Crushing Industry—January 12, 1920.

REPORTED ANTICIPATION OF DELIVERY ON CONTRACT.

(See market letters #1072, 1083, & 1112.)

Subscriber #1 please reply.

MINNEAPOLIS, MINN., *Jan. 9, 1920.*

From: Midland Linseed Products Co.
To: Armstrong Bureau of Related Industries, Chicago.
Subject: Marietta Paint & Color Company.

1. We are informed that the Marietta Paint & Color Company, representing the American Linseed Company, made deliveries of linseed oil in December to the Columbus Varnish Company, applying such deliveries on their sale for January delivery. Will you kindly bulletin subscriber #1 regarding the truth of this statement?

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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905 [Copy.]

Market Letter #1159—Flaxseed Crushing Industry—January 13, 1920.

COMPILATION REPORT—MARKET LETTER #1093, REPORTED DELIVERIES FROM RICHMOND STOCK AT A SUBSCRIBER'S DIRECT SHIPMENT PRICE.

In the file of replies on the above, 8 subscribers merely state in effect that they carry no stocks at Richmond and are therefore unable to comment on the letter in question.

Replies of the remaining subscribers are published below:

American Linseed Company (12/30/19):

"This is practically the same question that was asked in market letter #1087, and just as soon as we get a reply from our representative at Richmond which we wrote December 27th, we will reply also to this question of subscriber #6.*

"Please understand, however, that if our representative at that point has been allowing customers the privilege of carload delivery it has not been with our permission or knowledge and as advised in that letter, we stated to him that if he has been doing the things complained of, he is to immediately cease."

Archer-Daniels Linseed Company (12/29/19):

"We have not made any carload deliveries to customers from our stock of oil at Richmond at our direct carload price. We wish to refer to our inquiry in market letter #1087, subscriber #1, on what we believe to be about the same subject."

National Lead Company (12/31/19):

"Our company has not made delivery of linseed oil in the manner described by Midland Linseed Products Company."

Red Wing Linseed Oil Co. (12/29/19):

"This market letter does not apply to us in view of the fact that we do not maintain a stock at Richmond. However, we have never made any carload deliveries to the trade under the conditions outlined in this letter."

Spencer Kellogg and Sons, Inc. (12/29/19):

"We have not made carload deliveries to customers from our Richmond stock at our direct shipment carload price."

NOTE BY THE BUREAU (*).—It will be noted that subscriber #1 refers back to market letter #1087 which was answered in market letter #1151. There is no question that the expressed intention of this subscriber to eliminate this practice clears the matter.

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906 [Copy.]

Market Letter #1161—Flaxseed Crushing Industry—January 13, 1920.

COMPILATION REPORT—MARKET LETTER #1119, REPORTED QUOTATION TO STUDEBAKER CORPORATION, SOUTH BEND, INDIANA.

From an analysis of the file of replies on the above, it seems evident that the sale in question was made by subscriber #12 but that the details of the transaction were incorrectly given to the inquiring subscriber as the result of quotations by subscribers #1 and 12 which were later withdrawn, as indicated by the letters published below.

8 subscribers merely state in effect that they neither quoted nor sold the concern in question.

3 subscribers quoted their filed prices but did not get the business.

American Linseed Company (1/7/20):

"We have been advised by our Chicago manager that they did have an inquiry from the Studebaker Corp. for delivery at South Bend and quoted a price of $1.70 per gallon but the mistake was not discovered until the next day. Inasmuch as they did not accept and the quotation being for immediate acceptance, our manager did not feel that it was necessary to revise the quotation. It was unfortunate that this happened but as no business resulted we think that no harm was done."

Spencer Kellogg and Sons, Inc. (1/5/20):

"We sold these people one tank car raw January shipment at $1.71 per gallon, freight allowed to South Bend, Ind. Our Chicago office originally quoted them $1.70, forgetting that South Bend was in zone 2, but later changed our price to $1.71."

907 [Copy.]

Market Letter No. 1166—Flaxseed Crushing Industry—January 14, 1920.

REPLY TO MARKET LETTER #1104 REGARDING REPORTED SPECIAL ALLOWANCE BY SAN FRANCISCO REPRESENTATIVE OF SUBSCRIBER #1.

(See also market letters #854, 900, 904, 977, 1020, 1078.)

[Telegram.]

NEW YORK, N. Y., *Jan. 14, 1920.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

San Francisco wires have checked their records as far back as summer of nineteen eighteen and cannot find any instance where they have made an allowance of five cents per gallon on oil delivered in customers containers stating that their differential is and has been three cents per gallon.

AMERICAN LINSEED COMPANY.

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908 [Copy.]

Market Letter No. 1169—Flaxseed Crushing Industry—January 15, 1920.

FURTHER INFORMATION REQUESTED ON SALE TO STUDEBAKER CORPORATION, SOUTH BEND, INDIANA, BY SUBSCRIBER #12.

(See market letters #1119 & 1161.)

MILWAUKEE, WIS., *Jan. 14, 1920.*

To: Armstrong Bureau of Related Industries, Chicago.
From: William O. Goodrich Company.
Subject: Further reference to market letter #1119 and reply of subscriber #12 to same.

With reference to sale made by subscriber #12 to the Studebaker Corporation, South Bend, Ind., on Dec. 30th, we feel that a fuller explanation is forthcoming from this subscriber. We should like to have full details of this transaction which subscriber #12 claims was finally completed on basis of $1.71 per gallon delivered South Bend.

We were given the personal assurance of the Studebaker Corporation that we would receive this order on an even basis.

Yours truly,

WILLIAM O. GOODRICH COMPANY.

(Signed) W. H. EASTMAN.

909 [Copy.]

Market letter #1171—Flaxseed Crushing Industry—January 15, 1920.

REPLY TO MARKET LETTER #1142, REPORTED QUOTATIONS IN MEMPHIS, TENN., BY SUBSCRIBER #12.

BUFFALO, N. Y., *Jan. 14, 1920.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In accordance with your wire of to-day, we are giving you below copy of our letter of January 7th in reply to market letter 1142:

"You have asked us in market letter 1142 to investigate and reply. There is probably no need of investigating as we have just received a letter from one of our good customers in the city of Memphis, advising that our agent had quoted him $1.76 Memphis delivery and asking us if we would accept an order on this basis. We immediately wired them that the quotation was incorrect and believe that our wire to the customer and to our agent has straightened the matter out so that we are now quoting our filed price of $1.81 warehouse delivery, January–February–March, $1.76 April and $1.68 May–October. No business has resulted from the error in quotation. In fact, our Memphis agent has sent us orders almost daily at our correct price."

Yours truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) V. A. ACER,
Acting General Sales Mgr.

NOTE BY THE BUREAU.—The letter of January 7th referred to above has never reached the bureau.

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910 [Copy.]

Market letter No. 1175—Flaxseed Crushing Industry—January 16, 1920.

Excerpt from minutes of January 7th, 1920, meeting:

40. Mr. Daniels, who had been commissioned to investigate further the matter of a possible exchange of market information with the National Paint, Oil, and Varnish Association, advised the meeting that he had nothing specific to report and would not have until he received a further communication from President Cornish of the association.

911 [Copy.]

Market Letter #1175—Flaxseed Crushing Industry—January 16, 1920.

Excerpt from minutes of January 7th, 1920, meeting:

61. The bureau then advised the meeting that in the matter of carrying charges on oil not taken within specified time of the contract, each and every council member had reported his practice, and that these reports showed a uniform charge of one cent per gallon per month or fraction thereof.

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912 [Copy.]

Market Letter No. 1177—Flaxseed Crushing Industry—January 16, 1920.

REPORTED CONCESSION TO CHICAGO WHITE LEAD & OIL COMPANY, CHICAGO, ILLINOIS.

All subscribers please reply.

MILWAUKEE, WIS., *Jan. 13, 1920.*

(Received January 14th and returned for necessary correspondence.)

To: Armstrong Bureau of Related Industries, Chicago.

From: William O. Goodrich Company.

Subject: Reported sale to the Chicago White Lead & Oil Company.

On Jan. 12th we quoted the Chicago White Lead & Oil Company of Chicago on 200 barrels raw linseed oil for shipment May-September at $1.56 per gallon, which is our direct shipment carload price for delivery from Chicago warehouse in car lots of 68 barrels within 48 hours, in tank wagons. They reserved the right to take a single tank wagon delivery at a time at the same price.

We advised that we could not accept the business on this basis. They said they would favor us with this order on an even basis but another crusher would make the concession above referred to and they would have to give them the order.

The Chicago White Lead & Oil Company take the stand that they are big buyers and when they buy in 200 barrel lots, they should have the privilege of getting one tank wagon at a time at our carload price, less our differential for tank wagons. They claim it costs no more to deliver a tank wagon one day than another.

Will you kindly bulletin the council members to ascertain if anybody has deviated from their usual practice in regard to the 48-hour carload delivery from warehouse in mill towns, in this particular sale.

Yours very truly,

WILLIAM O. GOODRICH COMPANY,

(Signed) W. H. EASTMAN.

913 [Copy.]

Market Letter No. 1181—Flaxseed Crushing Industry—January 17, 1920.

CLARIFYING THE MATTER OF TERMS TO THE O'NEILL OIL & PAINT CO., MILWAUKEE, WIS., BY SUBSCRIBER #1.

The question regarding this transaction was asked by Mr. Goodrich under the round-table order of business at the meeting this week, but as Mr. Quine advised that the information would be duly sent through the bureau, it was not recorded in the minutes.

NEW YORK, *January 15th, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On a question raised by Goodrich regarding business with the O'Neill Oil & Paint Co., Milwaukee, please advise him that we have asked our Chicago representative to make no cartage allowance on full carload deliveries where same is made in a car at the siding of this concern, but that if we make the delivery from local Milwaukee stocks of a carload within 48 hours we shall make them a drayage allowance just as Goodrich Company do.

I do not understand that we have been allowing drayage where carload deliveries have been made on customers' siding, but if we have, this order to our local representative will correct the matter.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

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914 [Copy.]

Market Letter #1192—Flaxseed Crushing Industry—January 20, 1920.

REPLY TO MARKET LETTER #1169, FURTHER INFORMATION REQUESTED ON SALE TO STUDEBAKER CORPORATION, SOUTH BEND, IND., BY SUBSCRIBER #12.

(See also market letters #1119, 1161, & 1183.)

BUFFALO, NEW YORK, *Jan. 19, 1920.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Sale to Studebaker Corp., So. Bend, Ind.

GENTLEMEN: Answering market letter #1169, we cannot see how we can give much more information than that which has already been given.

We received a wire on December 30th from our Chicago office, stating that they had sold these people one tank of oil, January shipment, at $1.70 in tank cars. We immediately replied that these people were located in zone 2, that we could not enter their order as wired, and asked if we should enter it at our zone 2 price. Upon receipt of our wire they got in touch with the Studebaker Corporation and received permission to enter the order at $1.71 rather than the $1.70 basis which we had originally mentioned, and accordingly wired us that it was satisfactory to enter at our zone 2 price.

Yours very truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) V. A. ACER,
Acting General Sales Manager.

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915 [Copy.]

Market Letter #1195—Flaxseed Crushing Industry—January 20, 1920.

FURTHER INFORMATION REQUESTED ON REPORTED ANTICIPATION OF DELIVERY ON CONTRACT.

(See market letters #1154 & 1174.)

Subscriber #1 please investigate and reply.

MINNEAPOLIS, MINN., *Jan. 19, 1920.*

From: Midland Linseed Products Co.
To: Armstrong Bureau of Related Industries.
Subject: Market letter #1154 and #1174. Deliveries to the Columbus Varnish Company.

1. It is reported that the Marietta Paint & Color Company, agents of subscriber No. 1, delivered some linseed oil to the Columbus Varnish Company in December, invoicing the same on January contract. Will you kindly ask subscriber No. 1 if such deliveries were made by the Marietta Paint & Color Company?

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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916 [Copy.]

Market Letter No. 1200—Flaxseed Crushing Industry—January 21, 1920.

REPORTED QUOTATION TO UNION RADIATOR CO., JOHNSTOWN, PA.

All subscribers please reply.

NEW YORK, *January 19, 1920.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: On January 13th we quoted the Union Radiator Co., of Johnstown, Pa., from Pittsburgh, at $1.79, 10 barrels of oil each

month January–February–March, and were informed by them that they could beat this price by 2¢.

Will you kindly bulletin subscribers and ask if any of them have quoted or sold these people for this delivery, and at what price?

Yours very truly,

AMERICAN LINSEED COMPANY,

(Signed) F. K. Q., *Manager Oil Sales Dept.*

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917 [Copy.]

Market Letter No. 1209—Flaxseed Crushing Industry—January 24, 1920.

CONCESSION IN TERMS GRANTED THE FRAZER PAINT COMPANY, DETROIT, MICH.

(See Credit report #F-2.)

Subscriber concerned please reply.

Since the quotation in the following letter amounts to a concession in terms, it should have been so reported by the subscriber granting same; and under the circumstances the bureau will deem it proper to publish the subscriber's reply with his name, although the credit report in question does not, of course, divulge the name of any subscriber.

MINNEAPOLIS, MINN., *Jan. 20th, 1920.*

From: Archer-Daniels Linseed Company.
To: Armstrong Bureau of Related Industries, Chicago.
Subject: Credit inquiry #F2.

Your remarks on credit inquiry #F2, Jan. 19th, received today; we note that one subscriber has made the following statement:

"We have a satisfactory guarantee of this account, and under this guarantee we have extended them banking accommodations for 60 days at the legal rate of interest."

It seems to us that in view of the fact that we are in the linseed-oil business and not in the money-lending business this falls under the head of unfair merchandising competition. It is our understanding that the universal terms extended by all council members consisted of 1% for 10 days or 30 days trade acceptance.

Would it be proper to ask the subscriber his reasons for continuing this 60-day financing arrangement with Frazer Paint Company?

Very truly yours,

ARCHER-DANIELS LINSEED COMPANY.

918 [Copy.]

Market Letter No. 1217—Flaxseed Crushing Industry—January 26, 1920.

REPLY FROM SUBSCRIBER #1 TO MARKET LETTER #1183, ANOTHER REQUEST FOR INFORMATION ON SALE TO STUDEBAKER CORPORATION, SOUTH BEND, IND.

(See also market letters #1119, 1161, 1169, & 1192.)

NEW YORK, N. Y., *Jan. 24, 1920.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

DEAR SIRS: In reply to market letter No. 1183, we do not know what we can say regarding this transaction with the Studebaker Corporation except to admit that our Chicago representative was possibly in error, technically, in not correcting an erroneous quotation which he made on account of his not recognizing that South Bend was in zone #2 and his having quoted our No. 1 zone price for delivery at that point.

Upon receipt of market letter No. 1119, December 31st, through the bureau from the W. O. Goodrich Company, we wrote the following letter to our manager at Chicago:

"* * * The Goodrich Co. are asking through the bureau if we quoted the Studebaker Corporation on December 29th or 30th for January shipment. They claim to have quoted $1.71 per gallon, raw basis in tanks, direct shipment to South Bend, and were advised that Studebaker had a better price. $1.71 would be the correct #2 zone price, direct shipment, in tank cars."

Under date of January 5th we received the following from our Chicago manager:

"Your favor of the 3rd inst. received regarding quotation made the Studebaker Corporation on a tank car of linseed oil for delivery at South Bend, Ind. Investigation discloses a price of $1.70 was made on this inquiry, which error was not discovered until the day following. Inasmuch as they had not accepted, and the quotation being for immediate acceptance, Mr. Johnson did not feel it necessary to revise the quotation. It is unfortunate it happened. However, as it did not lead to business, no harm was done other than having to admit to the bureau we are the guilty parties. * * *"

In passing we will state that we changed our representation on January 1st at Chicago from W. F. Johnson to J. E. Jones, and there was more or less confusion at that time on account of the change.

We replied to this inquiry as per market letter #1161, which, so far as any action which we took, closed the matter. Technically, we presume that not having specifically corrected our price to the Studebaker Corporation, as did subscriber #12, we should have immediately bulletined a change in our price of 1¢ a gallon all over the

U. S. and immediately thereafter reverted to our price which was in effect previous to our having made the error. We think that subscriber #6 will appreciate that this was really unnecessary, and while we admit the carelessness we feel like agreeing with the statement of our Chicago manager that "as it did not lead to business no harm was done."

919 It is a matter of record that the Studebaker Corporation paid subscriber #12 their regular filed price for zone #2, so that, as a matter of fact, no harm was done.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager Oil Sales Dept.

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920 [Copy.]

Market Letter No. 1222—Flaxseed Crushing Industry—January 26, 1920.

COMPILATION REPORT—MARKET LETTER #1125, REPORTED SALE TO PENNSYLVANIA R. R. CO.

In the file of replies on the above, completed this day, nine subscribers merely state that they have neither quoted nor sold on this order.

The remaining replies are published below, though if the facts as secured by the inquiring subscriber are correct none of the sales as reported in these replies is the one on which he was the unsuccessful bidder.

American Linseed Company (1/5/20):

"We also quoted the Pa. R. R. Co. for March and April on the basis of our filed carlot price in zone #3, $1.77 for March and $1.72 for April and did not get any business. We are quite convinced that this sale was made by a large jobber in Philadelphia."

Archer-Daniels Linseed Company (1/5/20):

"We have sold on December 29th one car, 68 barrels, to Penna. Rd. Co., for March shipment, basis $1.77 raw cooperage, zone three. This sale was made through our agent at Philadelphia."

Midland Linseed Products Co. (1/5/20):

"Our last quotation to the Pennsylvania Railroad Company was on December 9th, 100 barrels of linseed oil $1.79 raw basis warehouse, Pittsburgh, December-January delivery. This offer was accepted, on the same date."

National Lead Company (1/24/20):

"On December 29th we sold to the Pennsylvania R. R. 150 barrels of raw oil for delivery in the month of April, 1920, at Philadelphia, price $1.70 per gallon in warehouse quantities.

"On December 10th we filed with the bureau our linseed oil price quotations showing for the months of April to September inclusive $1.62 in cooperage, carlots, direct shipment price basis.

"On January 13th, 1920, we filed our net price quotation report showing $1.72 carload cooperage, direct shipment price for the single month of April.

"Our sale to the P. R. R. on December 29th obviously was at 5¢ per gallon above our filed price quotation effective that date.

"We are not now altogether displeased with the fact that through misunderstanding between this office and our Philadelphia office, the latter erroneously understood our price for the month of April to be $1.67 carloads cooperage raw oil basis and $1.70 for warehouse quantities.

"The last mentioned fact necessitated some correspondence which has delayed this reply."

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921 [Copy.]

Market Letter No. 1224—Flaxseed Crushing Industry—January 26, 1920.

BE FAIR TO YOURSELF AND TO YOUR INDUSTRY.

Last week the bureau received notice from Spencer Kellogg & Sons, Inc., canceling their service contract on the thirty day provision of the service contract.

This notice was not published to the council because an executive of the bureau immediately went to Buffalo and Mr. Spencer Kellogg advised that they would give further and full consideration to the matter when Mr. Howard Kellogg returns today.

This morning a letter was received from the Archer Daniels Linseed Company advising that they had learned of this notice from Spencer Kellogg & Sons and stating that they would resign if Spencer Kellogg & Sons resigned.

Notice of cancellation was also received from the Midland Linseed Products Company, presumably prompted by the same information.

Now let us be fair to ourselves and to our industry, and consider these facts:

1. That it is an absolute fact that our co-operative work to date has placed the industry on a basis which it has never reached before.

2. That profits now obtain in a lawful and praiseworthy manner from the manufacture and sale of linseed oil rather than from manipulation of the flax market is also a fact.

3. That the constructive work of the Linseed Crushers' Industrial Council has received favorable comment and approval from those of "the trade" who have investigated its operations is of record in the bureau's files.

4. That the industry under the old order of things has not enjoyed a reputation for fair and constructive merchandising has been admitted by the council members themselves.

5. That the cause of the present restlessness is based on the reports of possible newcomers in the field, and the thought that there has been unwarranted additional equipment in the present plants.

6. There has been only a total of twelve presses added in the plants of our council members since this service was inaugurated and part of those were contracted for prior to that time.

7. All rumors of new plants are mere rumors and nothing more.

8. Uneconomic new construction can only be insured against by keeping the council in operation so facts and conditions can be presented for the industry and intelligently considered by the possible newcomers in free and open conference with the council.

9. Any attempt to make the linseed oil business unattractive and more or less unprofitable by a resort to the old order of things
922 would in the end fail of its purpose, prove an expensive experiment, and materially lessen the "property value" of the industry.

Now let us be fair to ourselves and to our industry, and if these facts are true facts, consider the following suggestions:

1. Let any council member who feels he is unwilling to see additions to the industry and to cooperate through the bureau with those possible additional factors, consider the fact that now there may be a better market for the sale of his business to these rumored new interests than may ever again be the case.

2. Certainly it is better to sell his business at a good profit than to demoralize the industry, penalize his competitors, and find himself with a greatly depreciated business property in a few years from now, and no doubt just as substantial an array of competitors as he now has.

3. The bureau has no indications at present that there are possible purchasers for any linseed oil business, but if there is any ground for these rumored additions to the industry, then we shall find some interested buyers, for it is cheaper to buy than to build.

This letter is directed at the entire council, and not at any individual member.

We have no idea that any crushers care to dispose of their business, but of those who are at all disposed to take exception to expansion in their industry we ask the full and fair consideration of these points of our contention.

Business is rapidly reaching a higher plane and we must employ the principle of "intelligent selfishness" to permanently prosper and carry with us the sense of having given our competitors and our friends a square deal.

The bureau will treat any replies to this market letter in absolute confidence.

We will continue service to this council no matter how depleted its ranks may become.

We can deliver a fair return to our membership if we should find the council reduced to a round half dozen, and I am quite sure if it should come to that that we would find mutual profit in such a test

of the co-operative principle under what might be considered at first glance an adverse condition. It is to be hoped, of course, that the judgment of the council will not permit such a contingency to arise.

This is the time for careful thinking.

It's up to you!

Be fair to yourself and to your industry.

JULIAN ARMSTRONG.

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923 [Copy.]

Market Letter No. 1225—Flaxseed Crushing Industry—January 27, 1920.

REPORTED QUOTATIONS IN NEW ENGLAND MARKET.

Subscriber #8 please reply.

BUFFALO, N. Y., *Jan. 26, 1920.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We are advised that the National Lead Company have been offering English linseed oil in one and five barrel lots to local painters in Providence, R. I., at $1.65 a gallon for one barrel and $1.60 a gallon for five-barrel lots, March and April delivery. Also that they have offered oil at this price in Fall River and New Bedford, Mass., and Newport, R. I. These prices are, of course, considerably below the filed prices of this particular subscriber and we would thank you to bulletin this letter so that we may hear from this subscriber as to whether or not the report is true.

Yours very truly,

SPENCER KELLOGG AND SONS, INC.,
(Signed) V. A. ACER,
Acting General Sales Manager.

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924 [Copy.]

Market Letter No. 1226—Flaxseed Crushing Industry—January 27, 1920.

REPORTED QUOTATION IN PHILADELPHIA BY SUBSCRIBER #6.

Subscriber #6 please reply.

BUFFALO, NEW YORK, *January 26, 1920.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Subscriber #6 is reported to us as having offered a Philadelphia broker old process oil meal at $71.00 f. o. b. Edgewater, February shipment, claiming that it was 32% in protein.

Subscriber #6 last filed price with the bureau $72.00 f. o. b. Edgewater, February shipment.

Kindly bulletin subscriber #6 regarding both price and protein guarantee.

Yours truly,

SPENCER KELLOG & SONS, INC.,
(Signed) R. D. WARD,
Oil Meal Division.

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925 [Copy.]

Market Letter No. 1230—Flaxseed Crushing Industry—January 28, 1920.

COMPILATION REPORT—MARKET LETTER #1168—TERMS ON OIL MEAL.

American Linseed Company (1/20/20):

"Our terms on oil meal are strictly sight draft with bill of lading attached. The only exception that is occasionally made to this rule is when a customer is located in the same city as one of our offices. In this case the bill of lading or shipping receipt may be attached to the invoice and sent to the customer's office with the request that the customer hand his check to the messenger delivering the invoice.

Ankeney Linseed Mfg. Co. (1/16/20):

"We make demand draft with to-order-bill-of-lading attached on all carloads of oil meal. If arrival draft is made, as we understand it, it becomes time paper and should bear the usual revenue stamps, that is should the drafts be deposited with your bank for collection, and the drawer of the draft get credit for the draft when deposited with them. We do not draw our drafts in that way."

William O. Goodrich Company (1/19/20):

"Our terms on linseed oil meal both in carloads and less are al-against B/L."

Hirst & Begley Linseed Co. (1/16/20):

"Our terms on linseed oil meal both in carloads and less are always sight draft. The only exception to this are shipments we make in Chicago within the switching district, on which we are unable to make draft, but these items are always collected on presentation of bill."

The Mann Bros. Co. (1/17/20):

"We sell pure oil process linseed oil meal on terms of net cash, sight draft against bill of lading. We never sell on basis of arrival draft and refuse to allow any of our customers the privilege of waiting until meal reaches destination before making payment."

Midland Linseed Products Co. (1/16/20):

"Our sales of oilmeal are always made subject to sight draft with bill of lading attached. We, in all cases, insist upon compliance with the sale terms.

"We have frequent requests from our customers to allow 'Arrival draft' terms. These requests, we think, arise from the fact that some other feeds, particularly wheat feeds, are sold on arrival draft terms. We are informed that some jobbers allow arrival draft terms on all feeds, including oilmeal."

Minnesota Linseed Oil Co. (1/16/20):

"Our terms on carload shipments of oil meal are demand draft B/L attached."

National Lead Company (1/17/20):

"As we do not compete for the sale of linseed meal we have no occasion to make reply other than this one to complete your file."

926 *Northern Linseed Oil Co. (1/16/20):*

"We have made sales on oil meal only in accordance with our filed prices and terms, and have had no customers refuse to pay our sight draft with bill of lading attached."

Red Wing Linseed Oil Co. (1/16/20):

"Our terms on oil meal are sight draft against B/L, and we do not have any arrangements with any of our trade permitting them to take up draft on arrival of car."

The Sherwin-Williams Co. (1/20/20):

"The writer has at times talked to prospective new customers who use the argument mentioned by subscriber No. 3, but we have always maintained sight-draft terms on any oil-meal business which we have booked.

"As a general rule these requests have either been used in the form of a leverage on us or have come from people who are not familiar with the terms on feeds, and the custom of the entire grain trade is practically sight-draft terms. For this reason we would not consider deviating from the established trade custom."

Spencer-Kellogg and Sons, Inc. (1/17/20):

"Our terms are sight draft, bill of lading attached, and our customers all understand this, and we have no trouble.

"At Buffalo and New York we deliver bills of lading and receive check on receipt of same. We do not bill any cars on arrival draft basis."

The Toledo Seed & Oil Company (1/27/20):

"We have never had but one customer who objects to paying sight draft against bill of lading on carload shipments of meal.

"This customer is Thompson & Company, of Pittsburgh.

"We asked the council some time ago regarding this customer, since which time we have not sold him, but should we sell him we would insist upon sight draft against bill of lading.

"All of our other customers are paying on our regular terms of sight draft."

(*) See market letters #561 & 583.

927 [Copy.]

Market Letter No. 1231—Flaxseed Crushing Industry—January 28, 1920.

COMPILATION REPORT—MARKET LETTER #1177, REPORTED CONCESSION TO CHICAGO WHITE LEAD & OIL COMPANY, CHICAGO, ILL.

From the file of replies on the above, completed this day, it is evident that the sale in question was made by subscriber #6, but that the details of the transaction were incorrectly reported to the inquiring subscriber.

All other subscribers state, in effect, that they have neither quoted nor sold on this business.

MINNEAPOLIS, MINN., *Jan. 19, 1920.*

From: Midland Linseed Products Co.
To: Armstrong Bureau of Related Industries.
Subject: Market letter #1177, sale to Chicago White Lead & Oil Company.

1. On January 12th we sold the Chicago White Lead & Oil Company 200 barrels of linseed oil, May–September delivery, at $1.60 raw basis in cooperage, carload lots, carload prices to apply providing 68 barrels are delivered within 48 hours, otherwise the oil to be invoiced at 3¢ per gallon more. No agreement was made to the effect that single tank wagon lots would be applied at carload prices.

2. We have also checked our records for the past six months and find that no deliveries have been made to the Chicago White Lead & Oil Company at carload prices, except in cases where they have taken at least 68 barrels within 48 hours.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

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928 [Copy.]

Market Letter No. 1232—Flaxseed Crushing Industry—January 29, 1920.

REPORTED CONCESSION TO JOHNSON OIL REFINING COMPANY, CHICAGO HEIGHTS, ILL.

All subscribers please reply.

CHICAGO, *January 26, 1920.*
(Received by the Bureau January 27th but returned for necessary correspondence.)

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: The Johnson Oil Refining Company, Chicago Heights, Illinois, asked us this morning to load 25 barrels of lin-

seed oil into a car to be switched to local warehouse, there to be filled up with other oil, and shipped to them as a mixed carload on which they wanted us to allow them our carload price, 3¢ under our warehouse price. We informed them we could not make them this 3¢ allowance unless they took a full carload of 68 barrels, upon which they informed us that one of the other crushers was in the habit of doing this for them. Will you please bulletin the council members?

Yours very truly,

HIRST & BEGLEY LINSEED WORKS,
(Signed) JOHN L. REQUE, *Ass't Manager.*

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929 [Copy.]

Market Letter No. 1237—Flaxseed Crushing Industry—January 30, 1920.

RE-OPENING THE SUBJECT OF REPORTED ANTICIPATION OF DELIVERY ON CONTRACT WITH COLUMBUS VARNISH COMPANY.

(See market letters #1154, 1174, 1195, and 1216.)

Subscriber #1 please reply.

Will you kindly investigate and state specifically whether or not your agents, the Marietta Paint & Color Company, have sold or delivered linseed oil to the above company during December, as per report received by the inquiring subscriber?

MINNEAPOLIS, MINN., *Jan. 28, 1920.*

From: Midland Linseed Products Co.
To: Armstrong Bureau of Related Industries, Chicago.
Subject: Market letter #1216 and letters #1154, #1174, and #1195.

1. Subscriber No. 1 has twice stated that they have not sold the Columbus Varnish Company recently. They have twice failed to state whether their agents, the Marietta Paint & Color Company, made such deliveries. We are therefore obliged to assume that the statement made by the Columbus Varnish Company that the Marietta Paint & Color Company delivered linseed oil to them in December applying the same on a January contract is correct. We think subscriber No. 1 should assume some responsibility for the conduct of its agents. We also delivered oil in December to the Columbus Varnish Company. We invoiced the same at our December price, refusing to apply the delivery against January contract. The buyers refused to pay the December price and insisted upon applying the delivery against January contracts. As the matter stands at present, we do not see anything to be done, except to re-invoice the oil applying on the January contract of the Columbus Varnish Company.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

930 [Copy.]

Market Letter No. 1243—Flaxseed Crushing Industry—January 31, 1920.

COMPILATION REPORT—MARKET LETTER #1200, REPORTED QUOTATION TO UNION RADIATOR CO., JOHNSTOWN, PA.

From the file of replies on the above, completed this day, it is evident that the sale in question was made outside of our group of council members.

10 subscribers merely state, in effect, that they neither quoted nor secured this business.

The remaining 3 subscribers quoted their filed prices, as per the letters which follow:

Archer-Daniels Linseed Company (1/23/20):

"We have neither quoted nor sold the Union Radiator Company, Johnstown, Pa., on or about January 13th. We are writing our Pittsburgh agent to find out whether he has made any quotation or sale to them on or about this date and will notify the bureau as soon as we have any information on the subject."

(1/29/20):

"We wish to quote from letter of our Pittsburgh agent dated Jan. 13th to the Union Radiator Co., at Johnstown, Pa., as follows:

"'Yours of the 12th inquiring for price on thirty barrels pure raw linseed oil, for shipment ten barrels each month January–March, inclusive, received.

"'We can quote price of $1.79 per gallon f. o. b. Pittsburgh for deliveries as stated above.'

"We believe this completely covers the inquiry."

The Mann Bros. Co. (1/23/20):

"We quoted the Union Radiator Co., Johnstown, Pa., our regular filed price for January–February and March shipment for linseed oil in ten-barrel lots. This way on the basis of $1.79 Buffalo. We did not receive the business."

The Sherwin-Williams Company (1/23/20):

"The Sherwin-Williams Company also quoted the Union Radiator Co., Johnstown, Pa., $1.79 per gallon as outlined in market letter #1200 of January 21st."

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931 [Copy.]

Market Letter No. 1252—Flaxseed Crushing Industry—February 3, 1920.

RESIGNATION OF SPENCER KELLOGG & SONS, INC., EFFECTIVE FEBRUARY 20, 1920.

It is with considerable regret that the bureau is obliged to advise that we are unable to effect a change in the decision of Spencer Kellogg & Sons, Inc., to resign from the council, as already an-

nounced to the bureau, in spite of substantial arguments presented in conference on Monday, when the writer carefully reviewed the situation with Messrs. Spencer and Howard Kellogg.

Their resignation, as explained to me, is based entirely on the fact that their property interests in the industry are such that further expansion in any of the present plants, or the building of additional linseed oil plants by other interests reported to be coming into the industry would jeopardize those interests.

They further contend that the constructive results accomplished for the industry through the efforts of the council under the bureau's service have directly contributed to that end.

The additions of record to date are here listed for the information of the council.

Ankeney Linseed Mfg. Co	3 presses.
*William O. Goodrich Company	6 presses.
Red Wing Linseed Oil Co	6 presses.

*NOTE.—These were already being installed when service was subscribed to.

It is of course of definite record that the bureau's service and the operations of the council thereunder have materially improved conditions in the linseed oil industry, and it is of further record that that service has delivered a very definite return to the linseed oil "trade" and to the consumer, and unless a reversion to the old order of things delivered a similar result, such action would be a distinct retrogression and against public interest.

It has been clearly demonstrated and is recognized that lawful co-operative effort is necessary for the well being and final progress of American business, and the bureau hopes that the remaining council members will elect to continue their co-operative work, even with the resignation and nonsupport of this company.

We are publishing below the telegram and letter of resignation originally received from Spencer Kellogg & Sons, publication of which has been withheld pending this final conference. In the event the council member in question would now like to add to the statement contained therein, the bureau will be pleased to receive and publish such a communication.

It is probable that a full discussion of this matter would be of interest to all at next week's council meeting, where it is assumed Spencer Kellogg & Sons will, without doubt, be represented.

(Signed.) JULIAN ARMSTRONG.

932

[Telegram.]

BUFFALO, N. Y., *January 20, 1920.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Illinois.

Please cancel our contract for bureau service at expiration of thirty days from date as provided for in same.

SPENCER KELLOGG & SONS, INC.

JANUARY 20, 1920.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Referring to market letter #1156 and 1180, for quite a long time we have been discussing the advisability of continuing in the bureau. The mere fact that the crushers are members of this bureau (of course in a strictly legal way) has the effect of calling the attention of outside capital to the linseed oil business. This is only history repeating itself, and the writer has seen it happen a great many times in his life. It has happened with the linseed oil business and it has also happened with other businesses.

The war is over, although not strictly speaking, but for all intents and purposes, it is over. This bureau has filled a want that was encouraged by our Government to get together so that they could deal with one unit. This necessity has also passed. So we feel that for the good of all we are taking a proper stand in advising you as per enclosed confirmation of telegram of our withdrawal from the bureau.

We take this opportunity to thank you for all the courtesies that you have shown us.

Sincerely and cordially yours,

SPENCER KELLOGG & SONS, INC.,
(Signed) SPENCER KELLOGG, *President.*

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933 [Copy.]

Market Letter # 1254—Flaxseed Crushing Industry—February 3, 1920.

REPORTED SALE TO AMERICAN RADIATOR CO. FOR DELIVERY AT BLACK ROCK, N. Y.

All subscribers please reply.

BUFFALO, N. Y., *Feb. 2, 1920.*

To: Armstrong Bureau of Related Industries.
From: The Mann Bros. Co., J. J. Mann, vice prest.
Subject: Sale to American Radiator Co. January 21st.

On January 21st we quoted the American Radiator Co., one 8,000 gallon tank car raw linseed oil for delivery at their bond plant, Black Rock, N. Y., March 15th, at $1.71, same being on the basis of our regular filed price for February–March. We are advised by the American Radiator Co., that they succeeded in placing this order at a better price than the one we named them. Will you kindly take this matter up with the various council members and advise us whether the sale was made at a special price, as we have no record

of any council member having a filed price for February–March lower than the above?

Yours truly,

THE MANN BROS. CO.
(Signed) JOHN J. MANN, *Vice Prest.*

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934 [Copy.]

Market Letter #1257—Flaxseed Crushing Industry—February 4, 1920

TENTATIVE REPLY TO MARKET LETTER #1237, RE-OPENING THE SUBJECT OF DELIVERY ON CONTRACT WITH COLUMBUS VARNISH COMPANY.

(See also market letters #1154, 1174, 1195, and 1216.)

In view of continued interest in the matter, the subject of anticipating deliveries on contracts will be docketed for discussion at the next meeting, and this specific case will naturally come up under it.

NEW YORK, *February 2, 1920.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In reply to market letter No. 1237, we did not understand from previous question by subscriber #6, just exactly what he was getting at, but we are now writing our manager of that territory to obtain the information asked for.

In this connection we call your attention to a recent letter from subscriber #12 in which he stated that if, at the time a contract was made, say for December–January–February, their price for January was the same as their price for December they would have no hesitancy in allowing their customer to anticipate the delivery of January oil in December, at their discretion; subscriber #12, however, expressing surprise that we judged this to be bad practice, as it would have a tendency to destroy the spot market. If a customer can anticipate delivery for one month, he can anticipate delivery for six months, and could not only draw January oil in December but could draw June oil in January.

We have not noticed comment by any other member of the council on this question, and we think it one which should be fully considered at the next meeting of the council. In the meantime, as soon as we get information relative to the Columbus question, will let you know.

Yours, very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. Q., *Manager, Oil Sales Dept.*

935 [Copy.]

Market Letter #1268—Flaxseed Crushing Industry—February 6, 1920.

REQUESTING FURTHER PARTICULARS AS TO REPORTED QUOTATIONS IN NEW ENGLAND MARKET.

(See market letter #1225.)

Subscriber #12 please reply.

NEW YORK, *February 3, 1920.*

To: Armstrong Bureau of Related Industries.
From: National Lead Company.
Subject: Market letter 1225.

The reference therein to "local painters" in the four New England cities we feel is most general. We would truly appreciate Spencer Kellogg & Sons furnishing us the names of linseed oil buyers in each of the four cities or at least the name of one buyer in each of those points to whom the alleged price quotations were made and likewise to furnish any other specific information they may have pertaining to the subject matter of their letter. The actual source and the channel through which the information reached Spencer Kellogg & Sons if they will be good enough to divulge to us we will regard as a special favor.

Yours very truly,

(Signed) C. T. NOLAN, *Manager.*

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936 [Copy.]

Market Letter No. 1270—Flaxseed Crushing Industry—February 9, 1920.

COMPILATION REPORT—MARKET LETTER #1232, REPORTED CONCESSION TO JOHNSON OIL REFINING COMPANY, CHICAGO HEIGHTS, ILL.

In the file of replies on the above, completed this day, all subscribers state in effect either that they have neither quoted nor sold the Johnson Oil Refining Company recently or that they have not granted such a concession as that mentioned to anyone.

It is evident, therefore, that if such terms were granted it was by someone outside of the council.

937 [Copy.]

Market Letter No. 1272—Flaxseed Crushing Industry—February 9, 1920.

REPORTED QUOTATION TO MORLEY MURPHY HDWE. CO., GREEN BAY, WIS.

The following communications are self-explanatory:

[Telegram.]

MINNEAPOLIS, *February 6, 1920.*
(Received February 7th, 11.05 a. m.)

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago:

We are informed Spencer Kellogg quoted Morley Murphy Hardware Co., Green Bay, Wis., on Feby. fourth car April shipment dollar sixty five raw basis. Please ascertain by telegraph if this correct.

MIDLAND LINSEED PRODUCTS CO.

[Telegram.]

CHICAGO, *February 7, 1920.*
(Sent 11.15 a. m.)

SPENCER KELLOGG & SONS, INC.,
Buffalo, N. Y.:

Subscriber reports you quoted Morley Murphy Hardware Co., Green Bay, Wisconsin, February fourth car April shipment dollar sixty five raw basis. Please wire facts.

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

[Telegram.]

BUFFALO, *February 9, 1920.*
(Received 12.47 p. m.)

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago:

Our Chicago office wires quoted Morley Murphy on February fourth our price as filed with bureau for April shipment. Customer claimed they bought elsewhere at same price.

SPENCER KELLOGG & SONS, INC.

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938 [Copy.]

(Subdiv. 2, Art. V.)

Market Letter No. 1274—Flaxseed Crushing Industry—February 10, 1920.

ANOTHER ENDORSEMENT OF THE COUNCIL'S WORK BY A LARGE CONSUMER.

The writer believes that the council will be interested in the statement of one of the largest stockholders in the Glidden Company personally made to him today, to the effect that this individual was glad to hear that there would be no dissolution of the council be-

cause of the resignation of Spencer Kellogg & Sons, Inc., which had been reported to him through the trade.

This gentleman went on to state that as a buyer of linseed oil the stabilized market effected by the co-operative work of the council had been of very direct benefit to his company.

These personal expressions, as already reported, have been pretty substantially duplicated by other large buyers of oil.

JULIAN ARMSTRONG.

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939 [Copy.]

Market letter #1277—Flaxseed Crushing industry—February 12, 1920.

COMPILATION REPORT—MARKET LETTER #1254, REPORTED TO AMERICAN RADIATOR CO. FOR DELIVERY AT BLACK ROCK, N. Y.

From the file of replies on the above completed this day, it is evident that the sale in question was made by subscriber #12, but that the details of the transaction were incorrectly given to the inquiring subscriber.

BUFFALO, NEW YORK, *February 11, 1920.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Sale to American Radiator Co.

GENTLEMEN: Answering market letter #1254, we sold American Radiator Company one 8,000 gallon tank car of raw linseed oil for delivery at their bond plant, Black Rock, N. Y., first half of March at $1.71 per gallon, which was our filed price on January 21st, the day we made the sale.

Yours, truly,
SPENCER KELLOGG & SONS, INC.
(Signed) W. A. ACER,
Acting General Sales Manager.

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940 [Copy.]

Market letter #1289—Flaxseed Crushing Industry—February 20, 1920.

FINAL REPLY TO MARKET LETTER #1237, RE-OPENING THE SUBJECT OF REPORTED ANTICIPATION OF DELIVERY ON CONTRACT WITH COLUMBUS VARNISH COMPANY.

(See also market letters #1154, 1174, 1195, 1216, and 1257.)

NEW YORK, *February 11, 1920.*
(Received February 13th and returned for necessary correspondence.)

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In reply to market letter #1237.

Our Cincinnati manager now reports that the Marietta Paint & Color Co., of Columbus, made a contract with the Columbus Varnish

Co. for January–May and did oblige this customer in December with one lot of oil, invoicing same on a basis of the January contract price, which was below our prevailing spot December price.

Our manager advises that he must apologize for the Marietta in this instance, as they were not familiar with our rule on this point, and he has their assurance now that they will not anticipate deliveries in the future, especially where there is a spread in price between spot and contract.

Yours, very truly.

AMERICAN LINSEED COMPANY.

(Signed) F. K. QUINE,
Manager Oil Sales Dept.

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941 [Copy.]

Market Letter #1293—Flaxseed Crushing Industry—February 21, 1920.

Excerpts from minutes of February 13th meeting.

REPORTS OF OFFICERS AND COMMITTEES.

6. Under this order of business Julian Armstrong, for the bureau, advised the meeting that on Monday last Mr. Hilliard of the Chicago office of the Department of Justice called at the bureau offices and stated that as a complaint had been made regarding the operations of the linseed oil manufacturers through the bureau's service, the department desired to make a full and complete investigation of the bureau's operations and service to that industry.

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942 [Copy.]

Market Letter #1293—Flaxseed Crushing Industry—February 21, 1920.

Excerpt from minutes of February 13th meeting.

10. He advised the meeting of Mr. Warner's call at the bureau's offices on Friday, January 30th, on his way to Florida, and reported Mr. Warner's statement to the bureau that no action would be taken by the Midland Company on the matter of their resignation until Mr. Warner's return, which Mr. Warner estimated at approximately thirty days from that date.

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943 [Copy.]

Market Letter #1293—Flaxseed Crushing Industry—February 21, 1920.

Excerpt from minutes of February 13th meeting.

12. Mr. Adams as chairman gave a brief review of the position of his company in the matter of this co-operative service, also ad-

vising the meeting that in his personal conferences with large buyers of linseed oil those buyers had expressed themselves as wholly in sympathy with the work of the council and were disposed to favor the stabilizing results of that work on the linseed oil market as of direct service to them as buyers of the product.

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944 Market letter #1293—flaxseed crushing industry—February 21, 1920.

Excerpt from minutes of February 13th meeting:

13. Mr. Archer then read to the meeting the following letter from his Cincinnati agent, which also bears out the above statement by Mr. Adams:

ARCHER-DANIELS LINSEED CO.,
Cincinnati Branch, February 9, 1920.

ARCHER-DANIELS LINSEED CO.,
Minneapolis, Minnesota.

GENTLEMEN: Your wire reducing June–December to $1.51 carlots cooperage received after closing time Saturday p. m. so had no opportunity to work on it Saturday.

I find that Kellogg received this price early Saturday, and had quietly given same to the big buyers, but do not believe they booked any business.

The trade generally are not very well pleased with this decline, and it has caused a good bit of uneasiness. Atwood says it is the worst thing that could have happened to the trade; he says everything was going along nicely and trade generally well pleased, but this drop has a very disquieting effect throughout the paint industry, and its effects will be far-reaching.

I think the trade generally are very well pleased with the Armstrong Bureau and the disbanding of this organization will no doubt be received with much concern by some of the large buyers who have bought oil pretty freely for future delivery. Bolce got wind of this through Kellogg last week and immediately took the matter up with Kellogg to see if the organization could not be held intact.

All of the crushers' representatives here are highly in favor of it, and I think the trade generally are now looking on the proposition with favor.

We have no further advice of shipments going to Louisville or Cincinnati, and Louisville will be out within the next day or two. We are mighty sorry to report this, as we have many contracts running there, and surely need the oil.

Very truly yours,

C. E. GINN.

945 [Copy.]

Market Letter #1293—Flaxseed Crushing Industry—
February 21, 1920.

Excerpt from minutes of February 13th meeting:
15. He stated further that the council to date had just begun to visualize the possibilities of full and complete cooperation and that the work of stabilizing their market which had taken most of the time to date was only one small feature of the possibilities of cooperation through the bureau.

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946 [Copy.]

Market Letter #1293—Flaxseed Crushing Industry—
February 21, 1920.

Excerpt from minutes of February 13th meeting:
24. The roll was thereupon called and the response was a unanimous decision to continue the service, the absent companies being Spencer Kellogg & Sons and Midland Linseed Products Co.

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947 [Copy.]
(Subdiv. 12, Art. V.)

Market Letter No. 1303—Flaxseed Crushing Industry—
February 26, 1920.

REPLY TO MARKET LETTER #1209, CONCESSION IN TERMS GRANTED THE FRAZER PAINT CO., DETROIT, MICH.

(See credit report #F-2.)

FEBRUARY 24, 1920.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
11 South La Salle Street, Chicago, Ill.

GENTLEMEN: Replying to your market letter #1209, regarding an alleged concession in terms granted to the Frazer Paint Company, of Detroit, Michigan, we beg to say, that we have not granted any concession in terms to the Frazer Paint Company. It has been, and will continue to be our purpose, to very strictly observe our filed terms of thirty days trade acceptance net, or 1% discount for cash in ten days. If, however, we wish to extend banking accommodations to any of our customers, we shall feel at liberty to do so.

Very truly yours,

AMERICAN LINSEED COMPANY.

(Signed) W. A. JONES, *Secy.*

948 [Copy.]

Market letter No. 1306—Flaxseed Crushing Industry—February 28, 1920.

REPORTING PRICES ON OIL MEAL.

As there have been several communications in the past few days to the bureau on the subject of oil meal and the method of reporting the respective prices thereon, this matter will be docketed for discussion at the next meeting, so we may arrive at a plan whereby each and every one will clearly understand the system by which he is to keep all of the council members advised of his operations on this product.

FEBRUARY 24, 1920.

From: Armstrong Bureau of Related Industries.
To: Mr. A. L. Bisbee, Midland Linseed Products Co., Minneapolis, Minnesota.
Subject: More detailed information from you regarding your quotations on meal.

I understand, Mr. Bisbee, that the last market information forthcoming from you on the above question was filed in order that the clerical work of reporting the fluctuating prices on your various quotations to meet the competition of Spencer Kellogg & Sons might be provided against, and I feel that the reason for your procedure under the circumstances was quite in order.

I now wish, however, in the interest of the other subscribers, and in view of the fact that Spencer Kellogg & Sons are no longer a subscriber to this service, that you would afford the bureau such market information as will give to your fellow subscribers the daily information covering your quotations on meal.

I am sure you will see the desirability of so cooperation and will be only too glad to do so.

I am also sending you under separate cover a copy of the proposed plan for the joint marketing of meal, which plan was distributed at the last meeting, and which I am sure will be most interesting to your executives, and I trust will have the full support of your company.

Reports to the bureau indicate quite clearly that the consumers of linseed oil who are conversant with the constructive work of this council in behalf of the buyer and the industry as well, are not in sympathy with the resignation of Spencer Kellogg & Sons which to them can only mean one thing and that is the demoralization of the work to date and the return to the old destructive practices of competition.

This substantial recognition by the trade is very gratifying to the bureau and to its subscribers, and I am sure you will be pleased to learn of these reports.

(Signed) JULIAN ARMSTRONG.

FEBRUARY 26, 1920.

From: Midland Linseed Products Co.

To: Mr. Julian Armstrong, Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago, Illinois.

949 Subject: Your letter February 24th regarding oil meal quotations.

Our last price list was not filed with the bureau for the purpose of saving clerical work in recording fluctuating prices for this commodity.

We understand the purpose of your service in connection with the filing of price lists is to give the subscribers reliable information which will result in intelligent competition.

We believe that as regards oil meal, the situation has developed in such a way that an accurate filing of our prices would only mislead the subscribers and would tend rather to demoralize than to stabilize the market.

This situation largely results from the following conditions: First, subscribers have not always adhered to their filed price lists; second, price lists have been filed with commission allowances which could be, and we believe have been granted to large distributors; third, large distributors have been given to understand that if shipments are made in second hand bags an allowance of $1.00 per ton or more will be granted to the buyer.

We have been unable to devise any accurate price list which would enable us to meet these variable conditions which would not at the same time result in misleading the subscribers to this service.

We have received the copy of the proposed plan for the joint marketing of meal. We have not had an opportunity to study this plan, but shall give the matter careful consideration at an early date.

Yours truly,

MIDLAND LINSEED PRODUCTS COMPANY.

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950 [Copy.]

(Subdiv. 12, Art. V.)

Market Letter No. 1322—Flaxseed Crushing Industry—March 6, 1920.

COMPILATION REPORT--MARKET LETTED #1299, REQUESTING INFORMATION ON TERMS TO GREAT WESTERN PAINT MFG. CO.

American Linseed Company (2/26/20):

"All sales made by this company to the Great Western Paint Manufacturing Company, of Kansas City, Mo., are strictly on the basis of 1% discount for cash in ten days, thirty days trade acceptance net. We have not, so far, had any trade acceptances from them, for the reason that they have been handling their account on a discount basis."

Ankeney Linseed Mfg. Co. (2/25/20):

"We have a contract with the Great Western Paint Company, for a car load of oil to be taken from warehouse, and which they have just started to draw on.

"Our contracts at the time this sale was made, did not call for the giving of trade acceptances, and which our new form of contract calls for. In the absence of such requirement in the contract, covering our sale to this concern, we cannot, of course, insist in the giving of trade acceptances. We are glad to have the information concerning this Kansas City Paint Co., so that in the future we will govern ourselves accordingly in sales to them and to the form of our contract.

"The oil we sold this concern last year was under an agreement that it should be paid for strictly within ten days and they lived up to their agreement quite well."

Wm. O. Goodrich Company (2/25/20):

"We are not directly interested in this particular instance as we have never sold the Great Western Paint Mfg. Company but, in this connection, will say that we have been insisting on trade acceptances and make it a rule to enclose one with each and every invoice we send out."

Hirst & Begley Linseed Co. (2/25/20):

"We have not sold the Great Western Paint Mfg. Company at any time, but in the event we have an opportunity, will insist on trade acceptance."

The Mann Bros. Co. (2/25/20):

"We do not quote nor sell the Great Western Paint Mfg. Co. of Kansas City, Mo."

Midland Linseed Products Co. (3/1/20):

"We have been unable to secure trade acceptances from the Great Western Paint Manufacturing Company. We find, however, that this account is a satisfactory one and bills are being paid promptly in thirty days.

"We do not feel that it is advisable to give this account exceptional treatment. There are a great many other buyers whose methods of payment are not more satisfactory than those of the Great Western Paint Company who also refuse to sign trade acceptances."

Minnesota Linseed Oil Co. (2/25/20):

"We are doing no business with the Great Western Paint Manufacturing Company."

951 National Lead Company (3/4/20):

"We have made no sales or quotations to the buyer mentioned and therefore have had no occasion to consider in their connection the matter of trade acceptance."

Northern Linseed Oil Co. (2/26/20):

"We have not carried the Great Western Paint Mfg. Company on our accounts."

Red Wing Linseed Oil Co. (2/26/20):

"We have not made any sales to the Great Western Paint Manufacturing Company, and we are to-day writing our connection at

Kansas City to learn whether or not they have made any sales to them, and if so what terms have been extended."

(3/4/20):

"We have advice from our Kansas City connection to-day stating that they have not sold the Great Western Paint Manufacturing Company linseed oil."

The Sherwin-Williams Co. (3/1/20):

"We have not quoted the Great Western Paint Manufacturing Company on linseed oil, but if we had quoted them the terms would have been our usual terms of 1% ten days, 30 days trade acceptance."

The Toledo Seed Oil Company (2/25/20):

"We have had no business from the Great Western Mfg. Co., Kansas City; hence can not answer the question asked."

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952 [Copy.]

Market Letter No. 1333—Flaxseed Crushing Industry—March 17, 1920.

REPORTED QUOTATIONS IN BALTIMORE MARKET BY REPRESENTATIVE OF SUBSCRIBER #14.

Subscriber #14 please reply:

NEW YORK CITY, *March 15, 1920.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: Our Baltimore manager under date of March 11th advises us that at that time, W. B. Cassell, the Mann Bros. representative in Balto., had about two cars of English oil on hand which he was offering at $1.70 in 5 bbl. lots. This price was not in accordance with the price which Mann Bros. had filed for this territory, and we are wondering if they understand that their recognized agents are not to have the privilege of buying and selling oil from outside sources at under the file price of their principal.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

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953 [Copy.]

Market Letter No. 1343—Flaxseed Crushing Industry—March 20, 1920.

REPORTED SALE TO PENNSYLVANIA RAILROAD.

All subscribers please reply.

Kindly state whether or not you have quoted or sold the above company, giving full particulars.

NEW YORK, *March 17, 1920.*

To: Armstrong Bureau of Related Industries.
From: National Lead Company.
Subject: Sale to Pennsylvania Railroad.

We are in receipt of the following from our Philadelphia representatives:

"On March 5th we quoted the Penna. Railroad on 400 to 600 barrels of linseed oil for delivery during the months of June, July, and August at $1.62 per gallon.

"We were informed several days later by the purchasing department, Penna. Railroad, that they had already placed the order at several cents below our price. Will you kindly make inquiry of the council members as to whether any of them made a sale of oil to the Pennsylvania Railroad on or about March 5th? Also will you kindly get for us full particulars of the sale?

Will you kindly bulletin the above, and oblige,

Yours very truly,

(Signed) C. T. NOLAN, *Manager.*

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954 [Copy.]

Market Letter No. 1344—Flaxseed Crushing Industry, March 20, 1920.

TENTATIVE REPLY TO MARKET LETTER #1333—REPORTED QUOTATIONS IN BALTIMORE MARKET BY REPRESENTATIVE OF SUBSCRIBER #14.

BUFFALO, N. Y., *March 19, 1920.*

To: Armstrong Bureau of Related Industries.
From: The Mann Bros. Co., J. J. Mann, Vice Prest.
Subject: Market letter No. 1333.

1. We were not aware that W. B. Cassell (our representative in Baltimore) was handling any English linseed oil, and will immediately investigate the matter and see that this procedure is at once discontinued, if so.

Yours truly,

THE MANN BROS. CO.,
(Signed) JOHN J. MANN,
Vice Prest.

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955 [Copy.]

Market Letter No. 1347—Flaxseed Crushing Industry—March 22, 1920.

MIDLAND LINSEED PRODUCTS COMPANY RESIGNS FROM THE COUNCIL.

In publishing the following communication the writer wishes to advise the council members that Mr. Warner stopped at this office

on his way to Minneapolis from Florida last week and while he stated in conference that he believed there was no doubt that his company would resign from the council, he nevertheless assured the writer that he would be only too glad to enable the bureau to hold a joint conference in his office with himself and the other executives of his business, prior to taking final action.

Evidently Mr. Warner has changed his mind in regard to the conference and the bureau regrets that it has not had the opportunity of this joint conference, which we feel in the interests of the council and the company in question should certainly have been held.

(Signed) JULIAN ARMSTRONG.

MINNEAPOLIS, *March 20th, 1920.*

From: Midland Linseed Products Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago.
Subject: Service contract.

Please note that effective immediately we desire to cancel your service contract with this company.

After this date we will discontinue all reports.

Yours very truly,

MIDLAND LINSEED PRODUCTS CO.,
(Signed) A. L. BISBEE, *Secretary.*

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956 [Copy.]

Market Letter No. 1354—Flaxseed Crushing Industry—March 26, 1920.

COMPILATION REPORT—MARKET LETTER #1343—REPORTED SALE TO PENNSYLVANIA RAILROAD.

In the file of replies on the above, completed this day, all subscribers except one state in effect that they have neither quoted nor sold the above company on this business.

The only exception to this is letter received from subscriber #14 published below, and since this subscriber did not receive the business, it is evident that it was placed outside of the council.

BUFFALO, N. Y., *March 22, 1920.*

To: Armstrong Bureau of Related Industries.
From: The Mann Bros. Co., J. J. Mann, Vice Pres.
Subject: Market letter No. 1343.

1. We quoted the Pennsylvania R. R. Co. on about March 5th our regular filed price for 400 to 600 barrels of linseed oil for July-August, but did not receive this business.

Yours truly,

THE MANN BROS. CO.,
(Signed) JOHN J. MANN, *Vice Pres.*

957 [Copy.]

Market Letter No. 1361—Flaxseed Crushing Industry, April 6, 1920.

REPORTED CONCESSION FROM HIS FILED PRICES ON L. C. L. DELIVERY BY SUBSCRIBER #14.

Subscriber #14 please reply:

NEW YORK, *April 2, 1920.*

To: Armstrong Bureau of Related Industries.
From: National Lead Company.
Subject: Mann Bros. quotations on linseed oil.

DEAR SIRS: According to our observation the Mann Bros. Co. had on file with the bureau and in effect on March 19th, 1920, their linseed oil price quotation of $1.82 raw carloads cooperage zone one March/June shipping period. According to other information filed by that company, as we are advised, their corresponding price and conditions of delivery would be on warehouse quantities in zone three $1.87 per gallon f. o. b. their mill at Buffalo and at any other points where they may carry a stock of oil in zone three.

The Mann Bros. Co., under date of March 19th, 1920, quoted their price for linseed oil to a buyer situated in a town within zone three that is not a distributing center of the Mann Bros. Company or any other council member, the quotation being made by postal card, reading as follows:

"Guaranteed pure old process linseed oil in barrels of about 50 gallons each at $1.91 per 7½ pounds (gallon), boiled 2 cents per gallon higher.

"From this price a deduction of 4 cents per gallon will be made in place of allowance for freight charges. Terms on oil, 30 days or less, 1 per cent for cash in 10 days."

Obviously their price quotation of $1.91 is 4¢ per gallon above their filed price but the provision made to allow 4¢ per gallon in place of freight charges to destination absolutely conflicts with the Mann Bros. Co. quotations and delivery conditions filed with the bureau, since in effect it establishes by them a price delivered at destination for a less than carload quantity.

Yours very truly,

(Signed) C. T. NOLAN, *Manager.*

958 [Copy.]

Market Letter No. 1364—flaxseed crushing industry—April 8, 1920.

REPLY TO MARKET LETTER #1361—REPORTED CONCESSION FROM HIS FILED PRICES IN L. C. L. DELIVERY BY SUBSCRIBER #14.

(See also market letter #1363.)

BUFFALO, N. Y., *April 7, 1920.*

To: Armstrong Bureau of Related Industries.
From: The Mann Bros. Co., J. J. Mann, Vice Prest.
Subject: Market letter No. 1361.

1. Our filed price on March 19th for pure raw linseed oil in carload lots was $1.82 zone 1 basis. This made our price at this time $1.86 warehouse basis in Buffalo. The quotation referred to by Subscriber No. 8 is absolutely correct and agrees with our filed price in every particular, except that it nets a price of 1¢ per gallon higher at Buffalo, which is customary on our part when quoting the buyer of less than five barrel lots. We beg to call the attention of Subscriber No. 8 to the fact that this is not a delivered price. This quotation is F. O. B. cars Buffalo less 4¢ per gallon in place of freight charges to destination.

Yours truly,

THE MANN BROS. CO.,
(Signed) JOHN J. MANN,
Vice Prest.

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959 Market Letter No. 1406—flaxseed crushing industry—June 28, 1920.

REPORTED SALE TO MR. A. SELDOWITZ, BROOKLYN, N. Y., BY SUBSCRIBER #11.

Subscriber #11 please reply.

Kindly state whether or not you made the sale referred to in the following letter. If you have made any sale at prices deviating from your last filed list it is, of course, in order for you to report them immediately, and in this case an explanation should be forthcoming as to the omission in so reporting if this sale has been made by you.

NEW YORK, *June 25, 1920.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: A customer of ours, Mr. A. Seldowitz, 172 Graham Avenue, Brooklyn, New York, told us the other day that they had recently purchased some oil, spot delivery, from the Sherwin-Williams Co. at $1.35 per gallon. Nothing in our files indicates that

the Sherwin-Williams Co. have filed as low a price as this on spot oil, and we would like the matter checked up.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

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960 PLAINTIFF'S EXHIBIT 12.

[Copy.]

NEW YORK, *May 17, 1919.*

To: Armstrong Bureau of Related Industries, Chicago, Ill.
From: National Lead Company, C. T. Nolan, Mgr.
Subject: Market Letter No. 446.

1. Following recent action of other council members we are now quoting premium of 5 cents per gallon on linseed oil delivered in half barrel packages over the price in full barrels. Our investigation of the matter stated in your letter discloses the fact that in two instances as far as we are able to learn our Baltimore agents did sell linseed oil in half barrels at 3 cents per gallon over the full barrel price with the further understanding that the half barrel packages when empty were to be returned to us without any payment by us for the same.

2. Archer-Daniels having brought this matter to our attention served the purpose we assure them and all concerned of our Baltimore agents now fully understanding what they are to do and what not to do in connection with future sales of linseed oil in half barrel lots. Our price premium is 5 cents per gallon and no variation or deviation therefrom without authority from the proper source.

Yours very truly,

(Signed) C. T. NOLAN, *Manager.*

CTN/AW

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961 [Copy.]

May 19, 1919.

From: Julian Armstrong, Armstrong Bureau of Related Industries.
To: Mr. C. T. Nolan, manager, National Lead Company, 111 Broadway, New York.
Subject: Legal exception to your letter of May 17th.

1. We are obliged to return your letter attached, Mr. Nolan, for reasons which you can very easily see in rereading the same.

2. The point to keep uppermost in your mind in all of your correspondence with the bureau is to use such phraseology that the operations and intent of the service cannot be misunderstood.

3. Another point, although not a very vital one, is the fact that you need not state at any time your reasons for changing your prices to the trade.

JA:R

962

AMERICAN LINSEED COMPANY,
New York, July 10, 1919.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
11 So. La Salle Street, Chicago, Ill.

DEAR SIRS: With respect to special sales report No. 19, confirmation of the bureau's telegraphic report of sale by the Archer-Daniels Company.

We realize that very often report of sales is delayed, and it might often happen that we and other crushers might have to report sales the next day after we had made a change in the price, this due to many stations throughout the country who have to make their reports by telegraph or mail after the receipt of reports from consignment accounts in their territory.

We think, however, that the Archer-Daniels Company, in reporting the sale of 100,000 gallons of bulk oil on July 8th, sale having been made on July 2d, needs some special explanation, particularly as the sale was made at 2 cents under their published price.

So far as our records go, their price on July 2d was $1.85 in car lots, cooperage, zone No. 3; a 5-cent differential between barrels and bulk would make their published price $1.80. We wish you would bulletin them, with a view to explaining why they did not reduce their price throughout the country as per contract, and ask also if we are not entitled to some definite explanation of this way of doing business. Had the sale been reported on July 3d, the next day after having been made, there could have been no particular objection made with respect to the delay. There should, however, have been made some explanation of the price. They do not even speak of its having been a sale at a special price.

Yours very truly,

(Signed) F. K. QUINE.

963

[Copy.]

Flaxseed crushing industry.

American Linseed Company, Mr. F. K. Quine.
C. Rosenfels.
Legal exception to your letter of July 10th.

JULY 12, 1919.

1. While it is necessary for us to return your letter as above, because of several implications therein which leave room for misinterpretation of this service, we wish to say that the matter in ques-

tion has already been taken up with the Archer-Daniels Linseed Company.

2. For your information: The Archer-Daniels Linseed Company explained the sale in question as an unauthorized liberty on the part of their agent, for which he was severely taken to task, and we believe they are now securing the details, which will be published as soon as they are complete.

3. To go back to your letter: You refer in the first paragraph to a "change in the price," whereas you no doubt intended to say "change in our price."

4. Also in the last paragraph you refer to the subscriber in question having failed to reduce his price throughout the country "as per contract." While we agree with you that his action was unbusinesslike, in view of his support of the recommendation unanimously passed in this regard, there is no agreement or mention in the contract of such procedure.

5. As this matter is having attention and you will receive report in due course, you may use your own judgment about rewriting this letter. If you care to do so we shall be glad to publish it; otherwise the statement received from Archer-Daniels Linseed Company will be bulletined as soon as it arrives.

CR:E

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964 [Copy.]

AMERICAN LINSEED COMPANY,
Woolworth Building, New York, July 15, 1919.

From: F. K. Quine, American Linseed Co., New York City.
To: Armstrong Bureau of Related Industries, Chicago, Ill.
Subject: Market letter No. 590.

We do not agree with the position taken by the Archer-Daniels Company with regard to sales of oil in steel containers at 2 cents over the cooperage price, to include cost of the steel containers.

Their price of linseed oil in steel drums, not to include containers but providing for a charge to be made extra for the containers at approximate cost, is 3 cents under the price in wooden barrels. While the cost of the container may be covered in their price of 2 cents over barrels, to include light drums, this position destroys the differential which they have published of 3 cents, as indicated above.

As a matter of fact, they are selling under their exception, linseed oil in steel drums at their tank car price and we respectfully ask that they consider the question in this light and advise if they still insist on adhering to the statement made in this market letter No. 590.

Yours very truly,

(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

965 [Copy.]

Flaxseed crushing industry.

American Linseed Co., Mr. F. K. Quine, Manager, Oil Sales Department.
C. Rosenfels.
Legal exception to your letter of July 15, 1919.

JULY 17, 1919.

1. We have your comment on Market Letter No. 590 (Linseed Oil in Light Steel Drums). You will note on rereading this letter that you have made reference to "the cooperage price" in the first paragraph and "the price in wooden barrels" in the second paragraph.

2. If you intended to refer to the prices of the various subscribers, both references should read "prices" instead of "price." This would convey the correct meaning.

3. Under the circumstances we will ask you to revise your letter, when we shall be glad to publish it promptly.

CR:KP

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966 [Copy.]

JULY 16, 1919.

From: Midland Linseed Products Co., Minneapolis, Minn.
To: Armstrong Bureau of Related Industries, Chicago, Ill.
Subject: Differential for oil in steel drums.

1. One of our agents advises us that he has recently been quoted by a competitor an allowance of 4 cents per gallon less on oil in steel drums than in wooden barrels.

2. It is our understanding that the regular differential is 3 cents per gallon and we wish you would kindly ascertain if any of our competitors have made such an offer and if they are making an allowance of 4 cents per gallon on oil in drums.

Yours very truly,

MIDLAND LINSEED PRODUCTS CO.

ECB–GP.

---

967 [Copy.]

Flaxseed Crushing Industry.

Midland Linseed Products Co., Minneapolis, Minn.
C. Rosenfels.
Legal exception to your letter of July 16.

JULY 17, 1919.

1. We are compelled to return your letter headed "Differential for oil in steel drums," on account of legal exception to the clause "it is our understanding that the regular differential is 3 cents per gallon."

2. Under the bureau's operation there can, of course, be no understanding as to differentials any more than there can be in regard to prices. If you refer to the differentials as filed by the various subscribers we would suggest that you change this paragraph to read something like the following:

3. "It is our impression that all of the price lists filed with the bureau by the various subscribers show differentials of 3 cents per gallon in this respect." Upon receipt of your letter revised as suggested we shall be glad to take up the matter promptly.

CR:AA

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968 [Copy.]

ANKENEY LINSEED MFG. CO.,
Des Moines, Ia., 9/19/19.

From: Ankeney Linseed Mfg. Co., Des Moines, Iowa.
To: Armstrong Bureau of Related Industries, Chicago, Ill.
Subject: Delivery of oil in September at the October price.

GENTLEMEN: Replying to Market Letter No. 743. We expect to stick strictly to our filed prices with the bureau in making deliveries of oil for September or any of the forward months.

It is true that our Indianapolis agent made deliveries of two barrels in August at the September price, meeting a price that he was "dead sure" was made by the representative of another mill. He had no such instructions from ourselves, however, in making such sale. In fact we had not yet advised him, as we reported in our recent letter, that there would be any lower prices for September. He got all this information from the trade. This agent has since received instructions to stick strictly to our prices which we give him from time to time, and to first report to us any lower quotations that he may be advised of.

Yours very truly,
(Signed) H. E. ANKENEY, *Sec'y Treas.*

---

969 [Copy.]

Flaxseed Crushing Industry.

SEPTEMBER 20, 1919.

Ankeney Linseed Mfg. Co., Mr. H. E. Ankeney, Sec'y & Treas.
C. Rosenfels.
Legal exception to your letter of September 19th.

1. We are compelled to return your letter replying to market letter No. 743 on account of legal exception to the expression "at the October price" and "at the September price," which you have used therein.

2. Will you kindly revise your letter and let us have it at the earliest possible moment so that it may be included in the file?
CR:E

---

970 [Copy.]

Flaxseed Crushing Industry.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
11 South La Salle Street, Chicago,
September 24, 1919.

Subscriber: American Linseed Company, Mr. F. K. Quine, manager oil sales dept.
Your letter of September 22, 1919.
Subject: Reply to market letter No. 753.

Returned for legal exception to the clauses marked.
CR:E

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971 [Copy.]

AMERICAN LINSEED COMPANY,
New York, September 22, 1919.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
11 So. Salle Street, Chicago, Ill.

DEAR SIR: In reply to market letter No. 753, we are asking our Indianapolis agent, who also controls Terre Haute, to check up very carefully the information which he sent to us some time ago that some of the subscribers were quoting oil for August delivery at the September price, and will advise you of his reply.

Yours very truly,

(Signed) F. K. Q.,
Manager Oil Sales Dept.

---

972 [Copy.]

AMERICAN LINSEED COMPANY,
New York, September 29, 1919.

From: F. K. Quine, American Linseed Co., N. Y. City.
To: Armstrong Bureau of Related Industries, Chicago.
Subject: Quotation to Schnaible Drug Co., market letter No. 771.

We have not quoted nor sold the Schnaible Drug Company, Lafayette, Ind., September delivery of oil at the October price.

Yours very truly,

(Signed) F. K. QUINE,
Manager Oil Sales Dept.

973 [Copy.]

Flaxseed Crushing Industry.

Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

OCTOBER 1, 1919.

Subscriber: American Linseed Company, Mr. F. K. Quine, Mgr., Oil Sales Dept.
Your letter of September 29, 1919.
Subject: Reply to market letter No. 771.

Returned for legal exception to the clauses marked.
Remarks: If you mean your October price please so state.

Signed ——

E

974 [Copy.]

10/3/19.

From: Ankeney Linseed Mfg. Co., Des Moines, Iowa.
To: Armstrong Bureau of Related Industries, Chicago.
Subject: Reporting price changes through the bureau.

GENTLEMEN: Replying to market letter No. 777. We wish to say that in this one thing we believe we have been very prompt, that is reporting to the members through the bureau any and all changes that we make in our price, promptly, at the time our changes or quotations are made.

We very often put in a change in our price without having quoted the trade, but this change in our price is relayed the same as a quotation.

Yours very truly,

ANKENEY LINSEED MFG. CO.
(Signed) H. E. ANKENEY.

975 [Copy.]

OCTOBER 10, 1919.

From: Julian Armstrong, Armstrong Bureau of Related Industries.
To: Mr. H. E. Ankeney, secretary Ankeney Linseed Mfg. Co., Des Moines, Iowa.

Subject: Your letter of the 3d attached hereto; taking legal exception to your evident misunderstanding of the service contract.

1. In the final paragraph of your communication above referred to, Mr. Ankeney, it is evident that you have completely overlooked the fact that this Bureau clears only information on past transactions, and therefore it would be unlawful for you to advise the Bureau of any changes in your prices which you have not actually quoted to your trade.

2. It is not permissible for you to change your price list and so advise the bureau unless that constitutes a bona fide change in your prices, and that means those prices must be actually quoted.

3. Kindly advise us by return mail that you now thoroughly understand this point, and will be guided accordingly, rewriting the letter attached to conform with the provisions of the service contract and the spirit of the services.

JA:R

---

976 [Copy.]

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

TUESDAY, Nov. 4, 1919.
Report No. 308.

GENTLEMEN: We list herewith a complete report of all of our carload sales for today of oil, cake and meal:

Quantity	Kind	How shipped	Zone	Price	Terms	Time of delivery
10,850 Gal.	Raw.....	bbls.....	1	1.53	Whse.....	Jan., Mar.
2,500 "	"	"	8	1.64	"	Jan., Sept.
108,850 "	"	"	2	1.51	direct.....	Jan., Sept.
100,000 "	"	bulk C. M....	1	1.42	"	Jan., Mar.
3,400 "	"	bbls.....	2	1.51	"	Jan.
2,500 "	"	"	1	1.53	whse.....	Jan., June.
24,500 "	"	"	4	1.54	direct.....	Jan., June.

Linseed Cake and Meal.

Quantity	Kind	How shipped	Zone	Price	Terms	Time of delivery
60 tons....	Meal.....	Bags.....	Mpls	74.00	.....	Prompt.

The above sale was made on a quotation sent out before the advance.

(Signed) ARCHER-DANIELS LINSEED CO.
GG.

977 [Copy.]

Flaxseed crushing industry.

NOVEMBER 5, 1919.

Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

Subscriber: Archer-Daniels Linseed Co.

Daily sales report of November 4, 1919.

Subject ———.

Returned for legal exception to the clauses marked E.

Signed ———

978 [Copy.]

Daily carload sales report.

WEDNESDAY, NOVEMBER 26, 1919.
Report No. 343.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We list herewith a complete report of all of our carload sales for to-day of oil, cake, and meal:

Linseed oil.

Quantity.	Kind.	How shipped.	Zone.	Price.	Terms.	Time of delivery.
3,400 gal....	Raw oil....	Barrels.....	1	$1.60	.....	April.
3,500 gal....	"	"	3	1.62	.....	April.
8,000 gal.[1]...	"	Tank.....	3	1.67	.....	January.

[1] Sold previous to advance.

Linseed cake and meal.

Quantity.	Kind.	How shipped.	Zone.	Price.	Terms.	Time of delivery.
30 tons [1]....	Oil meal....	Bags.....	1	$75.25	.....	Prompt.
15 tons [1]....	"	"	1	75.00	.....	Prompt.
400 tons [1]...	"	"	1	75.00	.....	Nov.–Dec.

[1] Sold previous to advance.

(Signed) AMERICAN LINSEED COMPANY,
W. F. PLATT, Jr.

979 [Copy.]

Flaxseed Crushing Industry.

NOVEMBER 29, 1919.

Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

Subscriber: American Linseed Company, W. F. Platt, jr.

Your letter of ———.

Subject: Daily sales report, November 26, 1919.

Returned for legal exception to the clauses marked.

Remarks: If you mean your advance, please so state.

MM:KP.

Encl.

(Signed) ———.

980 [Copy.]

THE SHERWIN WILLIAMS CO.,
Cleveland, O., November Eighteenth, 1919.

To: Armstrong Bureau of Related Industries, Chicago, Ill.
From: Mr. E. E. Stahl, Asst. Mgr. of Sales, linseed oil department, the Sherwin-Williams Co., Cleveland, Ohio.
Subject: Linseed oil market, Dallas.

On October 27th the market price of linseed oil in zone No. 7, in which Dallas is located, was $1.78 per gallon basis, raw, car lots.

We are in receipt of invoice No. 619, bearing date of October 27th, covering a purchase of 25 barrels raw and 25 barrels boiled oil from subscriber No. 3, which was purchased through their Dallas agent, Mr. T. S. DeForest. This oil was invoiced to us at a price of $1.88 per gallon basis, raw, cooperage, or 10 cents per gallon higher than the carload market.

At the regular charge of 3 cents for warehouse delivery we should have been charged at a price not greater than $1.81 per gallon on these 50 barrels. Our Dallas office, who made this charge, advises when subscriber No. 3 makes L. C. L. deliveries from their local warehouse they charge a premium of 10 cents per gallon over the car-lot price.

In view of the fact that the published price of oil f. o. b. warehouse is 3 cents more than cars cooperage, we are at a loss to understand the methods of subscriber No. 3's representative and would like this action explained to us.

Yours very truly,

THE SHERWIN WILLIAMS CO.,
(Signed) E. E. STAHL,
Asst. Mgr. of Sales, Linseed Oil Department.

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981 [Copy.]

Flaxseed Crushing Industry.

NOVEMBER 19, 1919.

Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.
Subscriber: The Sherwin-Williams Co., Mr. E. E. Stahl, Asst. Mgr. of sales, linseed oil Dept.
Your letter of—November 18, 1919.
Subject: Linseed oil market, Dallas.
Returned for legal exception to the clauses marked.

(Signed) ——.

E

982 [Copy.]

THE SHERWIN-WILLIAMS CO.,
Cleveland, Ohio, November 20, 1919.

To: Armstrong Bureau of Related Industries, Chicago, Illinois.
From: Mr. E. E. Stahl, Asst. Mgr. of sales, linseed oil department, Sherwin-Wililams Co., Cleveland, Ohio.
Subject: Linseed oil market, Dallas.

On October 27th, the filed price of linseed oil in zone No. 7, in which Dallas is located, was $1.78 per gallon basis raw, car lots.

We are in receipt of invoice No. 619, bearing date of October 27th, covering a purchase of 25 barrels raw and 25 barrels boiled oil from subscriber No. 3, which was purchased through their Dallas agent, Mr. T. S. DeForest. This oil was invoiced to us at a price of $1.88 per gallon, basis raw, cooperage, or 10 cents per gallon higher than the filed price with the bureau.

At the regular charge of 3 cents for warehouse delivery, we should have been charged at a price not greater than $1.81 per gallon on these 50 barrels. Our Dallas office advises when subscriber No. 3 makes L. C. L. deliveries from their local warehouse, they charge a premium of 10 cents per gallon over the filed prices.

In view of the fact that subscriber No. 3's filed price of oil f. o. b. warehouse is 3 cents more than cars cooperage, we are at a loss to understand the methods of subscriber No. 3's representative and would like this action explained to us, and ask that you bulletin them in this respect.

Yours very truly,

THE SHERWIN-WILLIAMS COMPANY,
(Signed) E. E. STAHL,
Asst. Mgr. of Sales, Linseed Oil Department.

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983 [Copy.]

Flaxseed Crushing Industry.

NOVEMBER 21ST, 1919.

Sherwin-Williams Company, Mr. E. E. Stahl.
C. Rosenfels.
Legal exception to your letter of November 20th.

1. We are sorry, Mr. Stahl, that you have evidently misinterpreted our intent in returning your letter of November 18th in which you referred to market price, the published price, etc.

2. The inference in all of these phrases might be that there was one published market or carload price for the industry, which naturally presupposes an agreement as to prices among manufacturers.

3. Your letter of November 20th refers in three different places to "the filed price." If you have in mind the filed price of a particular

subscriber it should be so stated and if that is not the case and you are referring to the filed prices of various subscribers, it must be so clearly stated that there may be no chance of misinterpretation.

4. With this idea in mind, will you kindly rewrite your letter again and you will understand, of course, that our criticism is entirely in your interests and not in any sense with a view to causing additional trouble.

CR:SC

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984 [Copy.]

THE SHERWIN-WILLIAMS CO.,
Cleveland, O., November Twenty-sixth, 1919.

To: Mr. C. Rosenfels, Armstrong Bureau of Related Industries, Chicago, Ill.

From: Mr. E. E. Stahl, Asst. Mgr. of sales, linseed oil department, The Sherwin-Williams Co., Cleveland, Ohio.

Subject: Legal exception to our letter of November 20th.

I want to thank you for drawing my attention to the various matters for correction in my letter of November 20th, which you returned, and, of course, now understand fully with regard to the legal exceptions you have taken in this letter.

With your suggestion in mind, I have revised the letter in line with your suggestion and trust that this will now be above criticism, as well as those of the future.

Yours very truly,

THE SHERWIN-WILLIAMS CO.,
(Signed) E. E. STAHL,
Asst. Mgr. of Sales, Linseed Oil Department.

EES:FF

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985 [Copy.]

THE SHERWIN WILLIAMS CO.,
601 Canal Road, Cleveland, Ohio.

To: Armstrong Bureau of Related Industries, Chicago, Ill.

From: Mr. E. E. Stahl, Asst. Mgr. of sales, Linseed Oil Department, The Sherwin-Williams Co., Cleveland, Ohio.

Subject: Linseed oil market, Dallas.

On October 27th, the filed price of subscriber No. 3 for Linseed Oil in Zone No. 7 in which Dallas is located was $1.78 per gallon basis raw, carlots.

We are in receipt of Invoice No. 619 bearing date of October 27th covering a purchase of 25 barrels raw, and 25 barrels oil from Subscriber No. 3 which was purchased through their Dallas Agent, Mr. T. S. De Forest. This oil was invoiced to us at a price of $1.88 per gallon, basis raw, cooperage, or 10 cents per gallon higher than Subscriber No. 8's price with the bureau.

At the regular charge of 3 cents for warehouse delivery, we should have been charged at a price not greater than $1.81 per gallon on these 50 barrels. Our Dallas office advises when Subscriber No. 3 makes L. C. L. deliveries from their local warehouse, they charge a premium of 10 cents per gallon over the market price.

In view of the fact that Subscriber No. 3's filed price of oil f. o. b. warehouse is 3 cents more than cars cooperage, we are at a loss to understand the methods of Subscriber No. 3's representative and would like this section explained to us, and ask that you bulletin them in this respect.

Yours very truly,

THE SHERWIN WILLIAMS CO.,
(Signed) E. E. STAHL,
Asst. Mgr. of Sales, Linseed Oil Department.

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986 [Copy.]

Flaxseed Crushing Industry.

NOVEMBER 28, 1919.

The Sherwin-Williams Co., Mr. E. E. Stahl, Asst. Manager of Sales.
C. Rosenfels.
Legal exception to your letter of November 26th.

1. We have your letter of November 26th, returning yours entitled "Linseed oil market, Dallas" and regret that we must again return this letter because of your use of the expression "over the market price" whereas you probably had your own market price in mind. If this is the case, it is of course necessary to say "our market price."

2. We realize that you are giving the phraseology of your letters particular attention and believe with a little further study on your part there will be no reason why we should be compelled to return any of them.

CR–Q.

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987 [Copy.]

THE TOLEDO SEED & OIL COMPANY,
TOLEDO, OHIO, *Nov. 24, 1919.*

ARMSTRONG BUREAU OF RELATED IND.,
11 So. LaSalle St., Chicago, Ill.

GENTLEMEN: In response to market letter No. 959, we certainly agree with you on the point raised by Spencer Kellogg Sons, that furnishing representatives of the crushers with advance information that the price is going to advance in order that they might go out and take business before the advance, could hardly be classed

under the title of "fair play," and that we only trust the time is not far distant when this practice will be absolutely discontinued, if it is in practice at the present time.

Very truly yours,

THE TOLEDO SEED & OIL COMPANY,
(Signed) GEO. A. VRADENBURG,
Vice President.

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988 [Copy.]

Flaxseed-Crushing Industry.

NOVEMBER 25, 1919.

Armstrong Bureau of Related Industries, 11 South LaSalle Street, Chicago.

Subscriber: The Toledo Seed & Oil Company, Mr. Geo. A. Vradenburg, vice president.

Your letter of November 24, 1919.

Subject: Reply to market letter No. 959.

Returned for legal exception to the clauses marked.

Signed ——.

E.

Enc.

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989 [Copy.]

Flaxseed-Crushing Industry.

DECEMBER 1, 1919.

The Toledo Seed & Oil Company, Mr. Geo. A. Vradenburg, vice president.

C. Rosenfels.

Your reply to market letter No. 959—forecasting price changes and a reported action on the part of a Pittsburgh representative of a council member.

1. We returned your reply to the above market letter on November 25th for legal exception. We are awaiting your rewritten letter on this subject and would urge that you give the matter your immediate attention so that it may be cleared promptly.

MM:E.

---

990 [Copy.]

DECEMBER 2, 1919.

From: Midland Linseed Products Co., Minneapolis, Minn.

To: Armstrong Bureau of Related Industries, Chicago, Ill.

Replying to market letter No. 970:

We enclose herewith copy of a letter just received from our Boston agent, from which you will note that he has neither sold any oil below the authorized price nor handled any foreign oil.

He also advises that the Acme Oil Co. have not handled any oil other than the Midland brand.

It is evident, therefore, that subscriber No. 1 is mistaken in their conclusion.

Yours very truly,

MIDLAND LINSEED PRODUCTS CO.

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991 [Copy.]

BOSTON, MASS., *November 29, 1919.*

MIDLAND LINSEED PRODUCTS CO.,
Minneapolis, Minn.

GENTLEMEN: I have yours of the 26th inst. regarding the Acme Oil Co.

Please be advised that they have not sold any oil at other than the authorized price, neither have they handled any foreign oil.

The Acme Oil Co. have never handled any oil but the Midland, have no intentions of handling any other oil, and furthermore, would not handle any other oil without first taking the matter up with you.

I have lost quite a number of orders for linseed oil, the prospective customers claiming my price was higher than others were quoting. However, I do not credit such statements, and if I did, I guess it would take all of my time chasing down such rumors.

Yours very truly,

C. E. GALE.

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992 [Copy.]

Flaxseed Crushing Industry.

DECEMBER 3, 1919.

Armstrong Bureau of Related Industries, 111 South La Salle Street, Chicago.
Subscriber: Midland Linseed Products Co.
Your letter of December 2nd.
Subject: Market letter No. 970, linseed oil prices.
Returned for legal exception to the clauses marked.

Signed ———.

MM:GDS

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993 [Copy.]

AMERICAN LINSEED COMPANY,
New York, January 15th, 1920.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
11 So. La Salle Street, Chicago, Ill.

DEAR SIR: On May 7th, 1919, we asked you to advise subscribers that we were maintaining a differential of 3 cents per gallon in zone

No. 3 for oil in quantities of less than 5 barrel lots over our warehouse price; in other words, our warehouse price has been 3 cents over our carload price and this filing represented a price of 3 cents a gallon for lots of less than 5 barrels.

We find that the only subscriber, according to our records who also filed a similar price, was the National Lead Company, and we now want to notify the subscribers that we have rescinded this particular action.

Yours very truly,

(Signed) F. K. QUINE,
Manager Oil Sales Dept.

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994 [Copy.]

American Linseed Company, Mr. F. K. Quine.
C. Rosenfels.
Your letter of January 15th.

1. We are going to ask you to be a little more explicit in your letter withdrawing your differential of 3 cents per gallon in zone 3 because, while it may be inferred that you are reinstating your former differential of 2 cents over your warehouse price, you do not so state in your letter, and in matters of this kind it is important, of course, to have an absolutely clear understanding.

2. We would also suggest that you omit your reference to the action of other subscribers in this matter, stating merely that you have rescinded your action and giving your differential as it stands at the present time.

CR:E.

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995 [Copy.]

AMERICAN LINSEED COMPANY,
New York, January 22, 1920.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
11 S. La Salle Street, Chicago, Ill.

DEAR SIRS: We have withdrawn our filed differential of 3 cents over the warehouse price on linseed oil in lots of from 1 to 4 barrels at New York. This does not mean that we are reinstating our former differential of 2 cents.

We think it fair and right to say that we are withdrawing our differential as a matter of record only, as we have determined that if it was considered by us proper to do so in this market it would also be proper for us to file our price on one to four barrel lots at all other distributing points.

Yours very truly,

(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

996-997 [Copy.]

JANUARY 24, 1920.

From: Julian Armstrong, Armstrong Bureau of Related Industries.
To: Mr. F. K. Quine, American Linseed Company, Woolworth Bldg., New York City.
Subject: The letter attached—a legal exception.

1. In commenting on your letter above referred to, Mr. Quine, I do not wish to be rude and rough, nor vulgar, but just what did you mean to tell us you have done?

2. Sometimes I think you folks who live above the twenty-fifth floor get too much ozone in your system and you try to take us "earthy" folks up in the air with you.

3. This is to advise we "aint" with you. Rewrite please.

JA-Q

998-1002 PLAINTIFF'S EXHIBIT 13.

[Presented to the Department of Justice by the Armstrong Bureau of Related Industries.]

1003-1004 *Intelligent selfishness.*

1005 INTELLIGENT SELFISHNESS A BUSINESS BUILDER.

By Montague Ferry, of the Armstrong Bureau of Related Industries, Chicago, U. S. A.

Chicago: Laurence C. Woodworth, Publisher.
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1006 Copyright, 1919, by Laurence C. Woodworth.
Press of the Faithorn Company, Chicago, U. S. A.

1007-1008 Contents.

Introduction.
Chapter.
I. Cooperation between executives.
II. Cooperation between employer and workers.
III. Cooperation between home office and representatives.
IV. Cooperation between manufacturer and dealer.
V. Cooperation between competitors.
VI. The Armstrong plan.
VII. Cooperation in marketing.
VIII. Cooperation in production.
IX. Cooperation between American and foreign groups.
Conclusion.

NOTE.—In these chapters the principle of intelligent selfishness is demonstrated in well-ordered steps to its maximum return. Each chapter, though so correlated, is a story in itself, and the busy man may read the one most interesting to him and take up others later without losing the perspective of the complete picture.

1009–1010 Introduction.

Selfishness is inherent in all of us to a greater or lesser degree, much as we may dislike to admit that fact, and all will agree that the measure of that selfishness is probably no more plainly indicated than in our respective business operations.

Big business successes are openly criticized because of the all apparent individual selfishness which has contributed to their making.

To relieve business of selfishness is, then, a task which indicates in advance a dangerous operation, and one which might well result in the death of the patient.

The author recognizes the important part which selfishness has played in commercial successes, but believes that its objectionable feature is not in the nature of the thing but in the manner of its direction.

This book aims to show how the principle involved has capitalized the inherent selfishness of man under thoroughly tried and proved methods, so that it operates fairly and constructively. It treats of results achieved, proving that intelligent selfishness constitutes a real business builder.

1011 Chapter I. Co-operation Between Executives.

There are many so-called "one man" business institutions in the United States, but when we get down to net facts, we find that back of the one man there is a team of several executives. If this were not the case, it is doubtful whether the institution would have gone far enough to attract attention.

The utilization of several individual brains to supplement and "check up" the work of the master brain is a typical American procedure, splendidly illustrated by the successful operations of Charles M. Schwab, John D. Rockefeller, the late Andrew Carnegie, and innumerable others, who have founded tremendous organizations on that principle.

While these leaders have ever been willing to testify to the importance of team work and the delegation of authority to helpers, it is seldom that one hears of the intimate details, the little
1012 difficulties and solutions that were of tremendous moment at the time of occurrence, but which became trivial as larger problems were met and overcome.

"Charley" Schwab recalls, and recounts in a delightfully interesting way, some of the "high spots" in his career, but while these are helpful and encouraging, he has forgotten much of the routine and detail that would be of even greater assistance to the manufacturer who is treading the beginnings of the journey.

If we can take testimony of the man who has just solved the problem of getting his executives into the teamwork harness, we shall secure the wealth of detail and the human touch which will help

us today and now, instead of the post mortem which deals with generalities that have survived the lapse of time.

To make the points clear, we must have comparison; and in order that the story may end pleasantly, we cite the horrible example first:

An institution, founded fifty years ago, was practically unchallenged in its supremacy for forty years of its existence. For the last ten years it has been fading, leaning more and more heavily on past glories and less and less upon present achievement. Its
1013 principal owner, always Kaiseristic in his rule, is now an old man and more autocratic than ever. He would like to quit, and constantly sets dates when he will lay down the scepter, but upon returning after occasional "test" abdications he finds chaos.

So far the story is a sad but common one, apparently a clear demonstration of inability to make men by delegating responsibility. Yet this is only part of the case because it is undeniably the fact that there are five men in that business who are splendidly qualified to carry it along to new glories and achievements. Each is a master of his line, and pulling together they would produce results beyond the founder's dreams.

But they don't pull together; each is jealous of the rest, and works hardest when his efforts will discredit the others. The reason is clear, and the moral can be drawn by every observer except the owner.

All these men have been with the institution for years, and during their service the owner has "played off" one against the other; he has never failed to intensify rivalry of the bitterest sort, and has never tried to direct that rivalry into constructive channels.

He has petted first one, then another, creating a community of
1014 interest only when his autocracy soured them all and incited them to more or less open rebellion.

Their course has been one of suspicious watchfulness, each one elated by temporary favors and correspondingly depressed by evidence of a rival's place in the sun. His office is the "carpet," the star chamber of secret interviews from which his men emerge trying to conceal emotions which might give vindictive pleasure to their associates.

His policy has cost him untold profits, the business is slipping, and he is tied to work at an age when he should be laying down the major burden.

Not a pretty story, but matched many times in the knowledge of men who observe and study, and representing an error into which it is easy to fall.

The other extreme, and naturally the desirable one, is the case of Smith. We must give him a name because his story has so much personality that it could not be told in an impersonal way.

He started a couple of blocks away from the foot of the ladder, but once he got his foot on the first rung, his progress was rapid.

He has controlled the large business of which he is the presi-
1015 dent for some fifteen years. His scholastic education was practically nothing, and he has not had the time to study that he would have liked, but nobody except Smith ever bewailed that lack of "finish" and "polish" which he mourns.

Two years ago he found himself with a profitable business and an organization which, to the outside eye, was functioning beautifully. His six leading executives were masters of their work, some of them well known as authorities in the trade. They all liked Smith (no red-blooded man could help it) and seemingly followed his leadership willingly.

But he was not satisfied.

"It looks like a pretty fair machine, and taken part by part there isn't its equal in the country; but every now and then I hear squeaks that show friction. Besides that, I have to be here to oil it pretty regularly, and I want it to be self-oiling because I'm getting to the age where I need a little time to play. Sooner or later some of these boys are going to break away for larger salaries, or one of them will quit because he can't get along with another. I see the signs, and as each of them gets stronger in his work, the signs get stronger. I've got to move quickly, and I don't care to make any false move."

1016 Smith took counsel of a rather simple kind from an outside source, and added his own reasoning and inside knowledge to it. He was not too proud to listen, and to study the elementary side of his problem—the "human nature" feature of his executives. He forgot himself entirely, except as the agency through which his plan was to be inaugurated.

By seemingly casual talks with each of the six men, he got their viewpoints and a certain knowledge of their ambitions and ideals. He figured out where the strength of one balanced the weakness of another; he listed characteristics that caused personal friction and undercurrents of hostility; he noted carefully how far these personal likes and dislikes had progressed, by praising one to the other; he learned where factional lines were drawn, and the basis for the inside politics of which he was the center.

When he had his men thoroughly analyzed and knew them as he had never known them before, he was ready to fit them into the plan and fit the plan to the general principles which had been given him and which his own reason endorsed.

These principles were as follows:

1017 1. Each of my executives must feel that his individual success is dependent on the success of the other five; that without their support and cooperation he will find it difficult to make a showing in his own department. Financial incentives must emphasize this interdependence.

2. They must feel that they can gain financial independence and standing more readily by building this institution than by starting offshoots. Hence I must give them the major share of the increased profits that will result from their greater efficiency as a group. By

letting them settle the division of those profits among themselves, I will automatically make them realize their responsibility and their value to each other.

3. I must retain the final authority for a while at least, partly to prevent errors, but more particularly to force solidarity by my opposition. To the same end, I must refuse to act as arbitrator or judge, insisting always that they be a unit in the plans they present for my final approval.

4. In suggesting this plan, and in settling upon its details, I must be sure not to impose my ideas; I should bend every effort toward convincing my executives that the thought originated from my talks with them and that they are the real authors of the idea.

1018. With this framework and a careful analysis of each man, Smith built his structure. As to its operation and results, let him tell it, because it is upon his books that the record is written:

"I don't claim any great discovery or invention in this proposition, because the basic principles of the idea were given me by a man who quite frankly explained that they were drawn from the experience of other concerns—a sort of composite structure, as it were. I have since heard of organizations that had executive boards, managing councils, or other bodies of that sort. That may be a good method, but a certain informality has been of value to us.

"Working this thing out has been the most interesting job I ever tackled, from the original analysis of the men to playing my own part in getting the plan on its feet. I used to define functions arbitrarily, feeling that each man must have his own niche and stick to it. I think I was right then, but under the new plan nobody seems to be touchy, and each one gets the benefit of five additional minds on his problem. The boys have laid down the principle that if the plan is good on the executive end, it's good right through the plant, and they're putting it across.

"One feature indicates how far the thing has gone. We used to pay for factory ideas or suggestions in a haphazard way; to-day we pay the originator part, his foreman gets part, and the man who uses the suggestion gets part—after it is of proved value. Of course, we pay more in the aggregate, but we don't lose anything at that.

"The company is making more money, I'm making more money, the men are making more money, the organization stays intact, and I'm learning to play for the first time in my life. Better than all this, I know that when I pass along this business is not going to need any reorganization, nor is it going to suffer because my executives start a "free for all" to get into my shoes. The man who will succeed me is picked now, as much as though the vote had been taken; he has developed under the plan, and though I wouldn't have chosen him two years ago, there is not a question as to his fitness in my mind to-day, nor in the minds of his associates.

"Naturally all our problems aren't solved yet, but I'm cock-

1020 sure that my team of six will solve them as they arise, and better than I or any other individual could solve them."

A casual inspection of Smith's business leads one to believe it will be heard from as time passes, not only as an example of the rapidly growing, successful institution, but as a monument to his foresight and appreciation of the power of intelligent selfishness.

1021 Chapter II. Co-operation Between Employer and Workers.

Setting aside every theory and driving at the first obstacle, the employer who would bring about co-operation with his men must recognize that there is a definite, deep-seated class feeling to be overcome.

The conciliator can quote logic to show it should not be the case; the student of history can tell one whence the feeling may have arisen; the unalterable fact remains that it is there, and the employer must go much more than half way to overcome it.

The human sort of employer—the man who understands men—who has adopted sincerity as his slogan, can quite often go far toward overcoming this initial obstacle by personal contact. In small organizations this method has brought splendid results, and should be followed as far as possible, regardless of size, because all of us like to visualize a leader rather than deal with a name.

1022 Delegating this contact through tactful representatives who are generally known to have the ear of the "big boss" is often productive of good results, especially where these representatives are big enough mentally to listen patiently and sympathetically, and by their suggestions and advice, get the confidence of the workers. Such a job demands a "he-man" whom other men respect for his courage and manliness, but who is possessed of that insight and knowledge of human nature which make him the natural confidant of all who know him. Needless to say, a "sissy" won't do, nor will a retired pugilist fare much better. A man in this job must be in a position to get results for the workers who have righteous complaints, or he will soon lose his usefulness.

In a sense this is an informal plan of representation, and might best be considered a preparatory step toward a larger plan where the men will feel that they have a definite voice in their own destinies.

Despite the heated declarations of a rapidly decreasing number of employers that they will run their own businesses or close down, and the equally heated declarations imputed to some labor leaders that shop committees and councils are a wile to eliminate the 1023 unions, there is every reason to believe that co-operation through joint committees and councils is the coming solution of the labor problem.

This statement is not based upon the ideal that democracy should be carried into industry, but upon the fact that of the many industrial plants which have inaugurated such plans, comparatively few report dissatisfaction on either side, while many are enthusiastic over results, both social and on the ledger.

The attitude of some labor leaders may be balanced by the statements of some employers, and should be set down as the natural feeling of strong-willed and strong-minded men who have fought all their lives for certain principles, and are perhaps a wee bit "sot" on having the whole cake or none at all.

The significant and important thing is the enormous headway gained by the various workers' representation plans in the past few years in union shops, open shops, and shops that refuse to hire union men if they know it.

A plan which has been in operation for two years, and is working to the satisfaction of all concerned in an open shop, is somewhat radical:

Each department, or group of employees, was asked to elect
1024 three representatives to a board of control. The company also chose a smaller number of delegates at large from among the employees, and nominated three of its ocials to serve as members, each of the three having but one vote, and none being allowed to hold office. As finally constituted, the board has twenty-seven members, of which twenty-four are workers, so it is obvious that the company can be tremendously out-voted.

To this board, the management gave power to settle all grievances of employees and undertook to abide by the decisions as rendered. The plan has been followed to the letter, and the officials of the company state that they have no complaint as to the justice of the decisions rendered. There have been departmental difficulties owing to attempts to unionize the plant, but labor troubles have not been of enough moment to mention, in spite of widespread strikes in the city.

This case has attracted attention because of the apparent daring shown by the owners of the business in giving wide powers to the board, and because of the spirit shown by those thus given responsibility.

The company takes a decided stand against the closed shop principle, but hires men regardless of their union affiliations.

1025 Another plan that has been rather generally tried out with a large record of successes is based on the United States Government. With its Cabinet, Senate, and House, the plan makes a strong appeal to the imagination, though there is no doubt that it is unnecessarily cumbersome in some cases.

The Colorado Fuel & Iron Co., the Standard Oil Co., and more recently the International Harvester Co., are among the larger organizations which have adopted the principle of employee representation.

Probably the most complete compilation of American experience in employee representation is incorporated in A. B. Wolfe's Report on Industrial Councils, published by the United States Shipping Board Emergency Fleet Corporation early in 1919. This very complete report also includes much of the English experience, with comments and conclusions by the author, who is an economist of note.

There is considerable variation in the detail of the plans which are successful; in fact, several manufacturers who are notable for the loyalty of their workers maintain that the plan itself is not of prime importance.

"We have only very sketchy plan of employee representa-
1026 tion," says one, "but though ours is a thoroughly unionized shop we have very little trouble with our people. We are absolutely sincere in our square-deal policy, and we meet our men often enough on matters of mutual interest, so that they realize our desire to play fair. We believe more and more that any employer can not only prevent labor trouble through real cooperation with his men, but can also make money through their help in increasing production, eliminating waste, and improving methods."

This man strikes the keynote of a vast mass of testimony on the subject of labor relations.

The employer who is sincere and really wants the confidence of his employees will find little difficulty in discovering ways and means, because the best thought of the world has been devoted to the subject and daring pioneers have blazed the trail of methods.

It is a glaring error to "wish" a cut-and-dried plan on the men. Far better results can be obtained by a frank admission that there is no plan in mind, accompanied by a request for their help in evolving one. Once having come together for this purpose it is not at all difficult to shape an organized plan of cooperation from the large and constantly increasing volume of data available.

1027 A plan so prepared can be made to fit the individual case, and will, of course, engage a much greater degree of enthusiasm and support than the ready-made article. Furthermore, the very contact involved is a tremendously valuable asset.

Care should be taken that the cooperative movement does not assume the function of a mere board of arbitration for settlement of disputes. When men meet only to settle grievances, they are prone to belligerency, and the zest for winning their individual or group contentions is likely to overbalance other considerations. True cooperation should have a much broader mission; its best results have been secured in cases where it is extended to every phase of production, though of course it must proceed to this larger usefulness by degrees.

The following schedule is not necessarily complete, but it will serve as a basis for possible activities of the joint committee, or council:

Workers—

Housing.
Education.
Recreation.
Savings and investment.
Insurance.
Sick benefit.
Sanitary conditions.
Cost of living.

1028 Mutual interest—

Wages.
Hours.
Shop control.
Discipline.
Union relations.
Community relations.
Service to public.
Relations with competing plants.
Safety work.
Compensation laws.
National legislation.
Transportation.
Incentives and bonuses.
Profit sharing.
Stock holding.
Training of workers.
Labor supply.
Physical examination.
Medical service.
Legal service.
New employees.
Cooperative buying.
Inventions and improvements.
Methods and processes.
Foreign competition.
Employment methods.
Americanization.

Employer—

Production.
Quality of product.
Consumer attitude.
Wastes.
Absenteeism.
Withheld effort.
Care of plant.
Labor turnover.

The most casual inspection of this list will show the skeptic that there is plenty of constructive work to be done cooperatively, and the more constructive things undertaken, the less time for bickering.

The reader may question the classifications as arranged; there is naturally much room for divergence of opinion, and it is entirely possible to put all the items under the two heads "Employer" and "Workers." It is equally possible to throw all the activities
1029 under the "Mutual interest" classification, and quite probably this would be logical under some local conditions.

Here again, it is not so much a matter of form as of intent, and no time should be spent worrying over the arrangement of the subjects.

The reader may also question such items as "Relations with competing plants," and "Service to public" in the "Mutual interest" classification. Labor costs have a definite bearing on competition, and vice versa; if competition is destructive and blind, the workers have a lively interest in its effect on their wages.

The reader may recall that a certain union, consisting of intelligent, skilled craftsmen, recently set the list selling price of the product for their employers. In explanation it was shown that competition had become so destructive that all former standards were destroyed, and that the product was being sold below actual cost. The setting of a standard list from which individual discounts could be quoted was a constructive move, and one that the union in question could accomplish more readily than the employers, who, unfortunately, had not sufficient vision to see the necessity.

The "Public service" item may seem a trifle far fetched, but many employers would be surprised to learn of the splendid
1030 results obtained in some plants where efforts have been made to show the workers the part played by the product in human activities. We all enjoy the thought that our work is useful to mankind, and the definite knowledge adds much to our interest and enthusiasm.

In spite of conversation as to revolutions, the I. W. W., and Bolshevism, in spite of the pulling and hauling of contending forces, one needs but little optimism to see that the industrial situation is more hopeful to-day than for many years.

Radicals will "spout" from soap boxes, striving earnestly to save their meal tickets; reactionaries will orate about what their fathers did; even the solid, substantial factors on both sides will occasionally grow peevish and say things they really do not mean, drawing equally petulant and childish retorts from over the fence; but all over our map groups are busy tearing down the portion of that fence that separates them, using the lumber for newer, constructive purposes, and finding no time to quarrel in the process.

They have discovered Intelligent Selfishness, and in it they have found industrial peace, progress, profit, and a more satisfactory place in the scheme of things.

1031 Chapter III. Co-operation Between Home Office and Representatives.

Did you ever pause to think what a variety of obstacles the field representative of a manufacturer faces?

Saving your sympathetic tears and getting down to cases, there is one load he packs that should entitle him to special consideration when he says good-bye to the trade and embarks on his last trip for the glorious hereafter.

That load is the necessity for constant optimism—the sort of "up-and-at-'em" feeling that a salesman must have, and that must be manufactured on the premises between his heart, soul, and liver.

When something goes wrong in the home office, there is something else that goes right to balance it, and if our fellow workers do
1032 not help us spruce up, there is always the wife and youngsters or some sort of home diversion to take our minds off our troubles.

But out on the territory we have to carry our own repair shop, and make all mental replacements on the job.

To meet this need men must have a certain valuable quality: in Boston it is called "poise;" in the middlewest "pep;" and elsewhere "stamina," "self-reliance," "self-control," "iron-in-the-spine," or "character."

Among the "he-men" who pioneered in Alaska they called it "guts"—a rough word to fit a hard job.

One of the principal factors in the salesman's optimism and "go-get-'em" spirit is the feeling that the "house" is back of him—even though it may be a thousand miles away. The feeling is aptly illustrated by a salesman, temporarily in olive drab, who was speaking of the 149th Field Artillery:

"We sure liked to have those birds back of us when we were up in front; they might be quiet for hours, but we knew darn well that if we yelled for help in a certain spot, those lads would transfer a section of hell to that locality so quick that nothing could get away from it. The front seats weren't nearly so lonesome when that
1033 crew was in the rear, because they never gave you heart disease waiting for them to tune up, and they always laid down the load where it would do the most good.

A rather successful sales manager once gave me his idea of co-operation with his men:

"We try to eliminate most special cases by having a definite policy, and having that policy thoroughly understood. The men are always consulted in arriving at it, partly because of their first-hand knowledge of conditions, and partly because I know they'll work a lot better if they are 'sold' on the idea. When special cases do arise, and the men wire for advice or orders, we work fast because most men hate to wait around when there's business in sight; besides that, quick action keeps the salesmen right in the buyer's eyes, and of course thats mighty important."

Too often the salesman's failure to grasp a policy is charged to his stupidity or obstinacy, when, as a matter of fact, the policy has not been fully explained.

We sit in the home office and discuss a proposition pro and con, until we know it so well that many things about it are taken for granted; we bulletin it to our field men, and continue to take
1034 things for granted, with the result that they get only a few high spots without the supporting facts or data. We should not expect our men to be mind-readers—we are exacting enough as it is.

Another point to watch is the actual delivery of bulletins to those for whom they are intended.

The writer once addressed a group of salesmen from a house that justly prides itself on its support of representatives. The subject was a bit technical, and opportunity was offered for questions. The questions developed the fact that three of ten men had not received the bulletins sent them on the subject, and hardly knew what all the fuss was about. The return coupon, or postcard, in important bulletins or instructions to field men may seen unnecessary, but it will save trouble in many cases.

It seems obvious that personal contact is extremely desirable if we are to have full cooperation with those men who are out on the "firing line." Trips of the sales manager supply part of this need, but the majority of authorities feel that regular visits to the home office are necessary to keep the salesman in touch with developments

and to help him visualize the fabric of which he is a part
1035 Seeing things made and handled is a definite asset to the man
who sells them and no printed matter or stereopticon lecture
can meet the need.

From a human standpoint, it is mighty good business to have
the men know the principals of the business as well as the
sales manager. No matter how magnetic, how inspiring, or how
worthy of loyalty he may be, the sales manager cannot replace in
the minds of his men the feeling of pride and stability that comes
from the knowledge of a big, smoothly functioning organization
back of them, and he is merely short-changing himself, the men
and the house when he makes the attempt.

No sane president or general manager will interfere with the
functions of a good sales manager, but the latter, if he is worthy his
job, will take every opportunity to bring his men into contact with
the heads and higher officials of the company.

The time is past when sales conventions were joy rides, but in the
tendency toward thoroughly businesslike sessions, care should be
taken that all work and no play does not make Jack a dull boy, and
the convention a plain bore to everyone concerned. Th opportuni
ties for personal contact, exchange of ideas, and gathering of
1036 inspiration are greatly enhanced if the men are not hand
cuffed and led into a series of cut and thoroughly dried ses
sions the minute they reach the home office.

Some home offices are impatient of complaints of customers
transmitted by representatives. The salesman who "passes the
buck" on every occasion, without any attempt to justify his house
is a weak sister and should have a hypodermic of iron injected into
his spine; on the other hand, certain types of complaints are really
constructive criticism and should be passed on for their value to the
house, as well as for adjustment.

The matter of reports is another subject that will reward care
ful thought and co-operation between the home office and the men
Many salesmen believe that these reports are primarily to check up
their efforts, and there is no attempt to disabuse their minds of the
idea. As a result, most salesmen's reports are not worth half of
what should be for future reference to the men and the house, and
are a source of irritation as well.

Another form of "paper work" that does not always further co
operation is the expense account. A pinch penny, "policeman" at
titude in this matter can cause more trouble than any con
1037 ceivable amount of saving can justify. A clear definition of
what is legitimate expense, formulated with the help of the
men, and bounded by rather liberal limits, is a great saver of time
and trouble.

If we are honest with ourselves, we will concede that there is a
sort of sporting satisfaction in "putting one over" on the "penny
sleuth" who is watching us, while the same sporting instinct would

prevent such small peculation if we were left to our sense of fair play.

There are numerous little services the home office can perform for the traveling man which have a definite bearing on his willingness to co-operate.

One house, whose representatives travel out of the home city, makes a particular point of attending to small details of finance and investment for its men while they are away. The wives of these men know that in case of emergency they can obtain advice and assistance from the firm, and while the thing is occasionally overdone, the general results are very satisfactory.

The big things count, of course, but the house that holds its men by the size of the pay check alone is overlooking tremendous possibilities. The little evidences of thoughtfulness, the small ways
1038 of cooperation, bulk large in the eyes of the representative, and not only tie him to the house, but make him more efficient by relieving his mind of care and detail.

Give the average salesman half a chance and he will convince himself that the "house" is the finest institution in the business world, and once convinced he will spread its fame, not only to the trade and competing salesmen, but to the traveling public at large.

There are several brands of merchandise which I buy as a result of casual meetings with traveling salesmen. We are all alike in that we respect an institution which engages the loyalty and affection of its employees, and respect has great influence upon the buying impulse.

When you meet a salesman who "boosts" his house, you may depend upon it that the house is co-operating, and you can also lay a wager that intelligent selfishness is paying dividends out of proportion to the cost.

1039 Chapter IV. Co-operation between manufacturer and dealer.

Much has been said and written on this form of intelligent selfishness.

Some of its features have been preached by the advertising fraternity as only that guild can preach a doctrine. In many cases, however, the co-operation has been decidedly one-sided.

The manufacturers have prepared elaborate advertising campaigns, complete down to the last detail of "envelope stuffers," and have then gone to the dealers and tried to sell them the idea and its operation. This sort of merchandising has successes to its credit, but it is not true co-operation in many cases because the whole proposition has been planned and executed with no help from the dealers until the final stages.

Some cases are exceptions to the rule, and these cases show a rather remarkable quality of "sure fire" that is interesting.
1040 These firms try to get dealer co-operation from the first—to take full advantage of the dealer's knowledge in formu-

lating the plan. There are two definite benefits to be gained—th avoidance of mistakes that the dealers first-hand knowledge wil pick out, and the greater support secured because of the plan bein partly his.

The methods of securing the dealer's views and advice range fron questionnaires to prize contests, with the manufacturer's salesme playing the star parts in most cases.

The questionnaire will ask for advice as to the best advertisin media in the dealer's locality as measured by his experience, the ap peal of free deals, the use of coupons, sampling, window or stor demonstrations, the best time of year for the campaign, and such other details as apply.

Much the same plan may be carried out through investigators or through the salesmen of the manufacturer—and the ability t draw out suggestions by personal contact lends weight to this method.

The prize-contest method of securing the dealer's co-operation in planning a campaign is more unusual, and decidedly more
1041 spectacular. The manufacturer offers substantial prizes for plans of campaign submitted by dealers who will logically handle the product, and is then at liberty to take the best features of all those plans and mould them into a composite whole.

Naturally it is simpler, quicker, and more soothing to the pride of the manufacturer and his advertising counsel to "dope out" the whole proposition in the home office, but it is by no means as sure.

Leaders in modern merchandising generally accept the idea that the manufacturer cannot rest easy when his goods are on the retailers' shelves; he must help the retailer sell those goods before he can sit back and consider the transaction complete.

Aside from advertising and promotive campaigns which feature the brand of the manufacturer, and thereby aim to create so-called consumer demand, many houses go to extreme lengths in helping the dealer become a better merchant.

The superlative of skill in such help is exemplified in the service department of a large house which sells whole stocks to retailers by mail, and then proceeds, through intensive education, to make successful merchants of them. This institution is prepared
1042 to help its customers in every department, from accounting to window dressing, and its success is sufficient proof that the job is well done.

Another and smaller concern, finding that its rather technical product suffered by virtue of ignorance as to its application on the part of retail clerks, organized a school and has educated a substantial number of clerks drawn from dealers in the merchandise. These men attend classes for two weeks at the factory, then go back to their work not only qualified to sell the goods intelligently, but thoroughly imbued with the possibilities for profit.

It is to be assumed that those goods will be pushed when there is a question of preference.

The house organ is always a fruitful measure of co-operation, provided it is edited so it will be read. Many house organs, models from a literary standpoint, thoroughly constructive in their text and beautifully printed, are not worth their cost because they receive only a casual reading.

It is an unfortunate fact that only a small minority of people have the will power to read and digest really constructive things unless they are dressed up with a sugar coating. When the
1043 subject is business, the difficulty is increased, so the house organ editor who can get his stuff across is indeed a jewel.

The greatest danger of the editor (and this is, of course, the nib of all cooperation) is that he will dwell too heavily upon those things that interest himself and his house, and forget the viewpoint of the man he is trying to educate or persuade. If he falls into this error, his publication is likely to be dry and little read.

Some of the most successful house organs segregate all mention of merchandise, either on a separate page or in the form of scattered advertisements, and devote their reading pages entirely to articles and notes designed to be of striking interest to those whose attention is sought.

Another plan is to use the house organ as a clearing house for selling-plans that have worked out successfully in practice, offering prizes for the excellence or number of such items submitted by dealers.

One of the most startlingly successful house organs within the writer's knowledge includes little more than a report of transactions, a forecast of markets, one snappy little suggestion as to mer-
1044 chandising, with the firm name and its business. The whole publication is usually thrown together in less than an hour, printed in the cheapest possible manner, and sent out in a manila envelope; but it put that concern on the map in less than three months, and has paid for itself many times over. The secret was printing matter that appealed to the other fellow, and not trying to make him swallow too much of a load along with it.

Most manufacturers have given more thought to dealer cooperation than to any other form, and as a result great progress has been made. Yet there are few concerns which can not profit by an intensive study of the dealer's problems, with a view to rendering him such service as will enlist his service in return.

When a manufacturer can say, "These thousand dealers are cooperating with us in putting our product across—their experience and knowledge have been utilized every step of the way," that manufacturer has an asset that can not be measured in money, and an assurance of success that is hard to attack.

He has capitalized the principle of Intelligent Selfishness.

1045 Chapter V. Co-operation Between Competitors.

Among other time-worn maxims that need revision in the light of modern experience, we can well scrutinize that one about competition being "the life of trade." A little tampering is sufficient, and fortunately our revised version carries a pleasing alliteration—"Constructive competition is the life of trade."

Competition evidences itself in two directions: the improvement of the product, and the service that goes with it; or the lowering of quality and service in order to lower the price.

Competition that improves the product and makes it more useful to mankind is constructive; competition that lowers quality in order to lower price is destructive, and works hardship upon the manufacturer, the dealer, their employees, and the consumer.

1046 Some of the by-products of destructive competition, in addition to lowered standards of quality, are a multiplicity of styles and designs manufactured not for their utility, but to meet other fanciful styles and designs brought out by competitors. In many industries these "babies of competition" form a laughable array, and yet the waste of their existence is a valid excuse for tears. In the end the public pays for this economic waste.

Buyers have done much to encourage competition based on price alone; for many years it was considered reasonably legitimate and altogether "smart" for the purchasing agent to play salesmen off against each other, and by misrepresentation of quotations received, bring down the prices of each.

There are still plenty of "smart" buyers, but their days are numbered. They complain bitterly to their principals that "there isn't any such thing as quality any more," and "I can't get steel that tests up to standard."

The buyer—Jones—who made these remarks in my hearing, later told me gleefully how he had outfoxed two steel salesmen by playing them off against each other.

1047 Meeting one of the two salesmen subsequently, I asked casually what sort of buyer Jones was. The salesman smiled: "Oh, Jones is one of those smart guys that has price on the brain; I never go near him except when I have some junk to get rid of, and then I let him screw me down till the angels weep. He kicks like a steer about our quality, but I can't get his business on good stuff anyway, so I let him rave. I don't know about the other boys, but I never quote him on our high test steel any more."

The other day I discussed automobiles with a chance acquaintance on the train. I mentioned the consistent performance of one make, and the very "spotty" record of another, suggesting that the difference might be due to design, since the two cars sell at practically the same price.

"No, it isn't design so much as material and policy. The A people buy on price altogether, and the B folks buy on quality. I'm in the special steel business, and I've sold both companies thousands of dollars' worth of stuff. The B crowd test our steel, make us guar-

antee it, and pay the price. If we fall down on quality they force us to make good, and we are mighty careful what we send them. That's their whole policy, and it shows up in the way their men work. Besides that, they contract once or twice a year and know exactly what to figure on in their costs.

1048 "The A people are different. They cracked down on price so much that when steel was scarce I quit selling them. They insist upon a certain formula that is cheaper, and we won't guarantee steel made that way. The result is they waste a pile of stuff, have a lot of replacements to make, and put out one car that may stand up beautifully, while the next one may be junk in six months. They shop around a lot too, so they are never quite sure of their costs for more than a month ahead. Their shop work is sloppy—men get bad habits from bad material.

"The A people are speculating a lot while the B crowd are manufacturing real motor cars—and it all starts in the purchasing agent's office."

Another common feature of destructive competition is "knocking." If ten manufacturers making a competitive product knock one another industriously enough to a buyer, he is quite likely to lose faith in that product and look for a substitute. This thing actually happened in connection with a tremendous housing project during the war.

There are few manufacturers who fail to realize these facts, and to recognize the benefits of fair, constructive competition; but

1049 most manufacturers are actually dizzy over the legal phase of cooperation, and having found no clear, clean-cut means of enjoying the benefits, prefer to suffer under conditions of waste and loss rather than experiment. Their lawyers bring them small consolation because, lacking the long experience and study necessary to interpret the statutes clearly, the guide, counselor and friend is quite likely to lean too far toward the principle of safety first.

In explaining this somewhat reactionary tendency, most lawyers will launch a brick or two at statutes so drawn that comparatively few men can get their true meaning, and then only after long and arduous study.

Reduced to their essentials, these statutes (the Sherman law, the Clayton Act, and the Federal Trade Commission law) are aimed at monopolies, and are designed to prevent certain men, or groups of men, from stifling competition through price agreements, division of territory, or control of production to create artificial scarcity. The average businesss man, however, seeing some association or group haled before the bar, and told that they were merely "cooperating," becomes confused, and wonders what it is all about.

As a matter of fact, it has yet to be proved that a group of

1050 men can fix and maintain prices for any length of time even if they earnestly desire to do so. In England the law does not prohibit such practice, but human nature and business economics

operate as usual, and competitors find themselves unable to fix a price and stick to it.

In the old days of gentlemen's agreements in the United States, groups of competitors would agree to do thus and so but, usually, before the atmosphere of suspicion could be even slightly overcome by the tobacco smoke, somebody would have a "phone call" or an "important engagement" expressly designed to assist his "profitable" breaking of the agreement.

The trade association plan of co-operation among competitors deserves much credit for its influence in teaching men the value of getting together and talking over mutual problems. If it accomplished nothing else, it would be worth while from the standpoint of eliminating some of the "knocking," and teaching men that their competitors are not creatures with horns, hoofs, and tails. Some few associations, institutes, et cetera, have accomplished splendid things through co-operation in various lines, but the vast majority have been content with the social contact.

1051 Practically none of them has made any really successful attempt at scientific stabilization of markets, and of these several have run afoul of the statutes and have been forced to disband.

The weakness of the association plan of organization lies in the fact that it is loosely knit and difficult to control. Men banded together under their own by-laws will seldom discipline themselves, nor is the secretary they employ in any position to take a militant attitude. One large company can dominate a group, and unless the secretary is a man of unusual power it is likely to dominate him as well. It is not human nature for the secretary deliberately to imperil a congenial job in order to save his employers from their own heedlessness, and even should such a paragon exist, he has not the power under the association form of organization to make his principle stick.

If a manufacturer is sufficiently lawless to take part in price fixing, he will invariably find a few competitors who can be lured into participation, and the secretary is generally forced to resign, or to wink at what is going on.

On the other hand, a fruitful source of trouble is correspondence and communication between members which the secretary
1052 never sees, probably knows nothing about, and which, through ignorance, carelessness, or deliberate intent, may well be the basis for prosecution of the entire group.

Still further, the absence of a damning record is no defense if other evidence indicates infraction of the laws. On the contrary, the best defense of honest, lawful cooperation among competitors is a full, frank record of all correspondence, all meetings, and all contact, which is so accurate that everyone concerned can lift his right hand and swear that it is the truth, the whole truth, and nothing but the truth.

Needless to say, it is practically impossible for the loosely organized association to provide such a record, and without it innocence of the whitest sort can well incriminate itself.

This get together instinct, however, is a form of intelligent selfishness which needs only proper development and direction.

1053 Chapter VI. The Armstrong Plan.

The Armstrong plan for cooperation among competitors meets and overcomes all of the objections that are raised to the association form of organization, and in its entirety has no parallel in this country or Europe.

Julian Armstrong became commissioner, or secretary, of a trade association after more than twenty years' varied experience in business. That experience included all phases of manufacturing—production, buying, selling, advertising, and financing—and a contact with the Chicago Board of Trade.

It was entirely natural, therefore, that he should consider cooperative activities in the light of their effect upon the manufacturer, rather than as a mere sentimental phase of business. He visualized cooperation as a cure for many evils, and a vital factor in American industrial progress.

His practical point of view led that group, of which he took the commissionership, to accomplishments entirely beyond cooper-
1054 ative activities as previously conceived. He traveled from one local market to another, educating jobbers, dealers, and salesmen in cooperation and the new idea; he suggested new markets for the product, better means of distribution, new standards of quality; he sought the counsel of engineers, chemists, testing bureaus, and other experts. Each new achievement spurred him on, but even in his enthusiasm for the results obtained, he realized that greater things were possible.

He was not content to be merely the secretary of an association, when he saw great opportunities for service in a more constructive form of organization with a much broader scope. He pictured a central bureau with its own corps of professional men, a many mind power directing its expert effort toward scientific cooperation and delivering a vital service to industry and the Commonwealth.

He therefore laid before that association a plan whereby one central agency could serve as commissioner for several industries or groups, broadening the service by dividing the expense, and giving each group far greater benefits than it could secure alone.

The idea was so entirely logical that its appeal was irresist-
1055 ible, and with that group as a nucleus, Mr. Armstrong founded the Armstrong Bureau of Related Industries.

That was four years ago and there has since been a notable broadening and development of the idea as a result of experience and study. The slogan, or creed, of the bureau has remained the same, and since it clearly expresses the ideals of the institution, it can well serve

as an introduction to a detailed explanation of the service. It is set in an artistic symbol of co-operation and strength, and reads:

ARMSTRONG BUREAU OF RELATED INDUSTRIES, WHOSE PRODUCTS—MANUFACTURED, MARKETED, AND SOLD IN STRICT ACCORD WITH A SPIRIT OF FAIRNESS TO EMPLOYEE, COMPETITOR, AND PURCHASER—NEED NO GREATER SURETY OF SUPREME QUALITY.

The Armstrong Bureau of to-day, directing the co-operative activities of a number of large industries, is no longer an experiment, but a proved agency for public service and better, more profitable business.

Though it remains the only institution of its kind, the results to its clients have proved conclusively the soundness of the idea that relations with several groups are essential to independence of thought and action.

1056 Full advantage is taken of the community of experience created, and each group benefits by the progress of the others. Furthermore, the division of expense makes possible a broader and more intensive service than any one group could afford.

True to the motto "Success begets success," the bureau is no longer forced to seek clients, but is enabled to choose groups whose products and markets indicate a possibility for the broadest measure of service, and whose enrollment of individuals shows the vision and progressiveness which promise full response to its principles.

Although organized for profit it places service above monetary gain. It refuses subsidies, regardless of size, plays no favorites, regardless of their importance, and reserves the right to sever connections with groups which show a non-progressive spirit, or a tendency to violate or evade the statutes or prostitute the ideals of the service.

Early in his experience as a commissioner, Mr. Armstrong realized that mutual confidence between competitors must be based on something stronger than personal estimates of integrity. His experience told him that false information as to prices was the most

1057 demoralizing factor in competition, and that until men knew the facts and knew they knew them, the wildest rumors as to prices quoted would have more influence on the individual seller than his own costs, or the true conditions of supply and demand.

It is highly significant that meeting this situation by "price agreements" or "fixing prices" never occurred to him; he knew these things were unlawful, and further, he believed they were merely expedients, extremely doubtful of accomplishment.

He recognized the direct influence of blind competition on profits, however, and realized that this "slack" could be taken up by delivering a fair and more uniform profit to all middlemen without tightening the prices to the consuming public.

The law clearly permits the gathering and publication of full information as to past transactions. Reviewing his board of trade experience, Mr. Armstrong believed that the exchange of such information under definite, obligatory service contracts would create a recognized and stable market in any industry. But he realized

that such information must be thoroughly accurate and subject to verification by an unbiased agency.

1058 Study of this need resulted in the preparation of a service contract—a clear, business-like, and legal agreement between each individual subscriber and the bureau—which sets forth the objects of the relation, its obligations, and penalties for non-performance.

It states what market information shall be given the bureau, and the manner of its exchange with other subscribers; it specifies the phases of co-operation which shall be undertaken; it provides for full verification of all information furnished by the subscriber; it defines the period of service with provision for cancellation by either party at any time upon proper notice. It unequivocally sets forth that the object of the co-operation shall be to "promote better and more safe, sane, and stable conditions in the industry, and increase its service to the commonwealth," and that the service shall not be used to fix prices, divide territory, limit sale, production or manufacture, or to control competition. It is further stipulated that no information will be distributed as to prices which any subscriber agrees to ask or which he has not actually quoted to his trade.

1059 The contract also provides for regular meetings and attendance of the subscriber. It obligates the subscriber to answer freely and fully all fair questions as to past transactions which may be asked him by the bureau, or by other subscribers. These questions may be to verify facts of a sale, or to bring out an analysis of costs.

A unique feature of the contract is the deposit of Liberty bonds as a forfeit for the non-performance of obligations. These bonds are held in trust by a joint committee of subscribers in each industry and the bureau, and in case of forfeiture on proved violations are turned over to some agreed upon public charity. In lieu of this procedure, records and books are open to certification by a recognized accountant selected by the bureau or by the company under investigation.

Taken as a whole, the document is a compelling one—a clear, understandable, easily enforced bill of particulars which leaves nothing to guesswork, nothing to sentiment, and serves as a statement of purpose and principles to which any progressive business man may be proud to subscribe.

1060 In it there is nothing of concealment, nothing of evasion, and everything of frankness and sincerity. Since the first contract was executed nearly four years ago, a copy of the instrument as used in each industry has been voluntarily filed with the Federal Trade Commission and the Department of Justice.

Under its provisions every subscriber in each group receives information which he knows is accurate, and can promptly check up rumors and falsehoods which might otherwise lead him to sell at a loss to secure a particularly attractive bit of business.

Reports of shipments and reports of orders and contracts, which show actual territorial distribution of the products of the industry, with complete information regarding the selling prices, terms, etc., are given to the bureau and cleared monthly or weekly to all subscribing competitors, so that each one not only has a market barometer of the entire industry, but has a record of his competitors to guide his own efforts.

When the full degree of co-operation is reached, this exchange of market information is amplified by reports of finished stock on hand not covered by order or contract, raw material, stock reports, et cetera, all of which have proved of definite value in bringing the fullest return.

At no time is a subscriber under obligation to maintain his
1061 price, or any other, but he must keep the bureau fully advised of prices quoted by him, which means that he sends in up-to-the-minute information showing exact quotations to his entire trade, and his various discounts and terms to jobbers, dealers, and consumers.

He is free to base his selling prices upon his manufacturing costs and the cost of selling the goods, and his judgment is reinforced by an accurate and constant knowledge of market conditions.

The advisability of giving up so much "private information" regarding his business will appeal to the most cautious "trader" when he sees that all of his competitors are reporting to him, through the bureau, similar private information.

It will be clear to the reader that this plan throws competition upon quality of goods and service rendered rather than upon price alone, and he will readily agree that this basis is the proper one from the standpoint of manufacturer, buyer, and the commonwealth.

Complete frankness is the essence of the plan, with the accompanying factor of accurately kept, detailed records of every incident and every action. These records are final, because all transac-
1062 tions of every description are cleared through the bureau, which thus checks, controls, and records them.

No factor in the plan is ever penalized by its operation. Although he may be too stubborn to accept the fact, even the "smart" and crooked buyer is benefited through the stabilization of market, the maintenance of quality and service, and the improvement of trade conditions. Buyers who have investigated the workings of the plan as it affects them, openly and enthusiastically endorse it, and only the occasional one who refuses a complete exposition professes to feel himself injured.

Even the reactionary competitor, who declines for some reason to do his share in supporting co-operation, is benfited rather than penalized by the constructive efforts of his fellows to stabilize markets and improve conditions in his industry. To be sure, he penalizes himself by insisting upon remaining in ignorance of market conditions—thus basing his operations on guess and rumor—but there is

never any vindictive effort on the part of the group to "force him in," or "freeze him out."

If he becomes abusive and stoops to misrepresentation of the service in order to further his selfish ends, the group and the bureau proceed against him under the statutes prohibiting such unfair
1063 tactics, but if he prefers to play by himself the plan recognizes his entire right to do so, and beyond legitimate persuasion to co-operate, he is not bothered.

This attitude of "live and let live" is expressive of the ideals of the Armstrong Plan, which seeks always to build up rather than tear down, and to benefit rather than destroy those with whom it comes in contact.

Although it is obvious that the legal status of the bureau is beyond question—except in the minds of those who consider the Federal Trade Commission and the Department of Justice iniquitous agencies created to prevent the business man from making a fair living—it is interesting to note that the investigations of the most eminent counsel in the country have invariably resulted in thoroughly favorable opinions and complimentary comment on the integrity of the plan.

The Bureau's own counsel embraces a national authority on corporate and Federal law, and another whose former experience as chief counsel for the Federal Trade Commission qualifies him as a leader in matters pertaining to the legal side of intelligent selfishness.

1064 Chapter VII. Co-operation in Marketing.

In the preceding chapter mention is made of the market information exchanged by competitors as a means of creating mutual confidence and stabilizing markets. In detail this information is as follows, it being considered that quotations are past transactions when the figures have been quoted to the buyer:

(a) Quotations.
(b) Sales (quantity and price).
(c) Shipments.
(d) Production.
(e) Terms.

It will be recognized that the frequency of exchange will be dictated somewhat by conditions, and the manner of transmitting the information to the bureau may vary. For example, the subscribers in one industry with a very active market use the telegraph almost entirely in reporting their individual price changes, while another group simply mails the bureau carbon copies of quotations
1065 as made to buyers. These carbon copies, giving full details of the offering, are evidence of the finest kind of mutual confidence, and the practice is a credit to the breadth of the men thus cooperating.

All the information exchanged is compiled and tabulated at regular intervals for the convenience of the subscribers so that they

have a basis for judgment through final figures, rather than through single reports.

Another form of report regularly made and exchanged is the credit report. This, and the report of collections which is its complement, need no detailed explanation, as the importance of such information and the manner of its exchange are generally understood. However, there are advantages in the basis on which these credit reports are exchanged that deserve mention. Since this cooperation is covered by the service contract, the accuracy of the information is thoroughly safeguarded, and it can be acted upon with complete confidence.

Furthermore, the experiences on which the reports are based are those of companies in the same line, facing the same conditions, and as such are far more valuable than information from any outside agency.

1066 In many industries the channels of distribution have been a source of much difficulty and misunderstanding. If a given type of middleman is treated as a jobber by one manufacturer, and as retailer by another, it is perfectly patent that injustice results. In attacking this problem, groups operating under the Armstrong plan exercise complete fairness, and are careful to see that no class of distributor is penalized, or lists prepared except for guidance by individual decision.

Without regard to individual distributors, definitions are prepared cooperatively, showing what qualifications entitle a man or a business to classification under a given head. The following definitions will serve as examples:

A jobber in one industry is defined as "one who is a recognized wholesaler of hardware, drugs, groceries, seeds, et cetera, and listed as such in any nationally recognized record of wholesalers, or a member of any nationally recognized body or association of such wholesalers. He must travel salesmen who resell products in substantial quantities principally to the dealer trade."

1067 A retail dealer is classified as "one who has a business regularly established, or is actively engaged in retailing that product and other commodities at a profit, to consumers of such commodities in the locality in which his business is situated."

A consumer is "a person, organization, or association using that product on fruits, vegetables, plants, trees, and flowers of their own or under their care. Associations known as 'fruit growers,' 'associations,' 'granges,' 'unions,' 'institutes,' 'governments,' 'states,' 'counties,' 'cities,' 'towns,' 'societies,' et cetera, performing no service as dealer or jobber are clearly consumers, and any other cooperative purchasing bodies organized only for collective buying, and performing none of the fair and legitimate functions of the dealer or distributor are to be considered as strictly within the 'consumer' class."

The justice and propriety of such definitions as a means of eliminating recognized abuses is best attested by their acceptance and sup-

port on the part of large associations of wholesalers and other trade bodies, as well as individuals.

An important feature in the success of the Armstrong plan as it pertains to marketing, is the education of salesmen, jobbers, and dealers in its principles. The cooperation of these factors in
1068 carrying the plan to its final demonstration is essential, and in order to cooperate intelligently they must know more than the superficial details.

The subscribers interested are urged to give full attention to educating their salesmen, jobbers, and dealers, and literature of various kinds is furnished for the purpose.

Bureau representatives address sales conventions, wholesalers' meetings, and dealer associations, and besides giving the full details of the plan, invite questions which are frankly and clearly answered.

Individuals and committees are asked to visit the bureau offices and are given every assistance in making thorough investigations of the service as it affects their interests. This policy of the open door is an important factor in the good will evidenced toward the bureau by these elements of distribution, and contributes much to its success.

There has never been a time in the country's history when export trade assumed the importance given it to-day. The urgent need for American goods in foreign markets makes it a highly profitable obligation for groups of manufacturers to cooperate in the work and expense involved in meeting the call.

1069 The Webb law, making it legally permissible for manufacturers to agree upon export prices, is the Government's recognition of the situation, and an encouragement of co-operative effort.

Price is only one of many problems, however, and the license to cooperate in this respect is merely a first step, for in this work, as in domestic competition, it is the bureau's belief that prices can not be maintained by agreements, and its export plans make no capital of this "permitted agreement."

The investigation of markets, methods of selling, financing, packing, trade routes, and a thousand and one other factors confront the American manufacturer who would take advantage of foreign trade possibilities. All of these perplexing questions can be attacked more constructively by the co-operative method, with greater surety of ultimate success, and with tremendous saving in duplicated effort.

Up to the point of actual sale, ten American manufacturers in the same line will follow almost identical methods of procedure through ten representatives; operating as a group under the Armstrong plan, these ten make one investigation, have one representative, and
1076 the order is placed finally on the true basis of individual merit, but by a system of a division of profit which delivers to all a fair return on each such sale. The large savings effected naturally make possible a greater service at a much lower cost, and it is of paramount importance that American manufacturers should render a service that will kill forever any idea that we are a "money mad"

nation. It seems unnecessary to argue that such a demonstration w
go further toward establishing our sincerity than any number
diplomatic utterances or protestations of altruism.

An alternate plan of procedure for American seekers of forei
markets is the incorporation of a joint export company for the pro
ucts of the industry, which centers American competition in one co
pany, and secures an even greater degree of co-operation than the pl
set forth above. In process of completion for one industry, the pl
is as follows:

The manufacturers are placing a representative on the Contine
who will investigate conditions in the various markets, securing su
orders as he can during the process. These orders will be given
the manufacturers in the best shape to handle them, at a pr
1071 duction price agreed upon in advance, which price will carry
reasonable manufacturing profit.

The stock of the export company will be held by the manufactur
in direct ratio to producing capacity, and all will profit by each f
eign order secured.

Manufacturers have long since recognized the value of coope
tion in protests against unfair legislation, discriminatory imp
tariffs, or traffic classifications and rates.

Besides the advantage of presenting a united front in appearar
before Government commissions, law-making bodies, and tra
agencies, the Armstrong plan places at the disposal of each gro
experience gained in directing this work for other groups. M
important still, it is in a position to supply complete statistics as
the industry, which will carry conviction to the body approach
through the very method by which they are compiled.

Needless to say, the impromptu compilation of an industry's vi
statistics for a particular purpose would involve a tremendous
penditure of time and money—even if it could be accomplished—a
the validity of so hasty a compilation would undoubtedly be qu
tioned by any keen examiner.

1072 It takes but little imagination to visualize the benefits of
operation along lines of market development. With its co
bination of inside and outside viewpoint, and its access to the
curate data cleared through its operations, the bureau is able
survey the field intelligently and offer suggestions impossible to a
other agency. In organizing channels of trade, in getting and d
seminating information as to new markets, and in discovering n
uses for the product the cooperative idea as expressed through
active, impartial organization has brought splendid results w
surprisingly small expenditures.

In the matter of cooperative advertising, which has attracte
large measure of attention in recent years, there is urgent need
other co-operative work as a preliminary. The attraction of adv
tising and its spectacular qualities sometimes blind a group to
real function of such promotion and lead them along paths t
arrive at no specific point; unless the market for a product is l

fully stabilized and channels of distribution defined and standardized in advance an advertising campaign is quite likely to demoralize that market with losses outweighing the benefits gained.

1073 False steps in co-operative advertising are prevented, with the knowledge of conditions possessed by the bureau, and full results are assured to those participating, with no possibility of some contributors receiving more than their legitimate share of the benefits.

When an industry is made ready for advertising, a council of the advertising men of the various companies is usually formed, and with their combined skill and knowledge of the product, there is practical certainty that every angle of the group advertising appeal will be thoroughly canvassed, and only the strongest copy in the most logical media will be used. This idea of a council of advertising managers originated with the bureau, and has been used with splendid effect in several industries.

Such campaigns, exemplifying the truest type of creative advertising, properly timed, backed by the other co-operative work, and featuring a common trademark indicative of standardized quality, have produced more satisfactory results than could have been expected from much larger expenditures by the individuals, although individual campaigns are quite generally continued in less expensive forms, and directly "hooked up" to the group advertising.

1074 There is no question that the buying public is thoroughly impressed by the advertising of a product so trademarked that it represents a high standard of quality, approved by a group of manufacturers whose interests are of necessity submerged in an effort to maintain that standard. More regarding these standards and their maintenance will follow.

Subconsciously, at least, the public thoroughly appreciates co-operation, and realizes that co-operative standards represent the best impulses of a group who thus openly advertise their practice of intelligent selfishness. This appreciation is heightened when it is known that the producers have come together to make the industry better and cleaner in every way and to deliver a true service to the public.

1075 Chapter VIII. Co-operation in Production.

Since the statement of an eminent Government investigator a few days ago, that only a ridiculously small proportion of the business firms of the country were really making money, there has been a widespread interest in cost accounting. From a branch of accountancy, cost accounting has become a profession in itself, while the business man is ashamed to admit that he cannot tell what his costs of production figure.

Uniform cost accounting, as a feature of co-operation, has proved a decided asset to many industries, and is one of the most common features of group activity. This springs partly from the importance lately attached to manufacturing costs, and partly from

the fact that many people erroneously believe if ten companies use the same method of arriving at costs, they will automatically arrive at a uniform selling price, and that particular market will find a fair level. This false hypothesis entirely overlooks inevitable
1076 variables that will appear even in two factories under the same management, but differently located. In some groups the belief is perhaps influenced by the hope of attaining a fixed price, and where this is the case there is a violation of the spirit—if not the letter—of the law.

The knowledge of his costs by each member of a group is a distinct benefit to the industry, and the manufacturer who is basing his selling price upon erroneous costs or upon guess is not only his own enemy, but the enemy of legitimate business in his line.

There is no law that asks the individual or the industry to forego fair profits, yet ignorance on the part of one or two factors in a given trade often has precisely that effect.

In properly directed co-operative work, therefore, the effort is not so much toward uniform costs, as toward uniformly correct methods of finding costs.

In several industries, factories having effective cost accounting methods have considered it highly advisable and profitable to share their knowledge with less fortunate competitors—even bearing their pro rata expense of introducing the system into the industry—and the results have justified their judgment.

1077 Under the Armstrong plan, the ideal method is sought through a canvass of the various plants by a cost accountant, who incorporates the best features of all in a composite whole. The resulting system is applied to all factories by one man, its operation supervised, thus securing uniformly correct results. The bureau maintains no cost accounting department as such, but draws upon the services of that cost accounting organization which is best equipped to introduce a system into a particular industry. It retains highly qualified cost men, but does not install systems. Its plan is to preside over meetings of production engineers or cost men representing each member company after the standard system has been adopted and installed. Such periodical exchange of ideas, and definite check of the operation of the system in each plant, represent a phase of cooperation distinctive to the bureau. It has been highly commended by leading cost accountants.

It will be obvious that this pooling of experience is extremely valuable to all, and that the overhead expense of installation, supplies, and supervision is greatly reduced by this method.

1078 One of the most spectacular achievements of cooperation is standardization of product as to quality, sizes, styles, and uses.

The setting up of standards of quality, backed by thorough tests, frequent inspections, and identification by a common trade-mark, is a service to the manufacturers, dealers, and consumers that is recognized by all authorities. It is one of the most constructive results of cooperation, and when coupled with the elimination of

useless styles and sizes that have no excuse for existence except to confuse the issues of quality and service, it is a crowning achievement in removing unfair obstacles which handicap individual accomplishment.

In one group the standardization which followed inauguration of the service effected the following results:

It reduced styles and sizes from over a thousand to approximately fifty.

It set up definite specifications and standards of quality, and identified them by a name and mark easily recognized by manufacturer, dealer, and user.

It registered those standards with the United States Bureau of Standards, affording anyone interested the opportunity to verify them with governmental assistance.

1079 Coming at a time when war necessities forced economies of material and reduced production, it saved the industry the embarrassment suffered by many other industries, and secured for it the commendation of the officials who had such measures in charge.

It effected substantial savings for the manufacturers and dealers in the commodity, and enabled the consumers to buy intelligently at a time when the integrity of the product was of great importance to them and to the country.

Such standardization clearly defines a base value, to which the special features of each individual brand can be added, clearly pointed out by the producer and easily visualized by the buyer, so that its added value can be segregated and estimated on a competitive basis.

Numerous other cases of standardization and improvement of product could be cited, all resulting from the high degree of co-operation and well organized effort possible under the Armstrong plan.

There is a feature of manufacturing in which all competitors are vitally interested, but which seldom receives co-operative attention, and that is the question of raw material.

1080 At the outbreak of the great war several American industries found themselves tremendously handicapped by inability to obtain certain necessary chemicals for which they had always depended upon Germany. It is hoped and believed that the lesson has been well learned, but those industries would have saved much time, money, and uneasiness had they visualized their dependence and acted co-operatively before the blow fell.

An interesting demonstration of co-operative effort along this line was furnished by a group operating under the Armstrong plan.

In this case it was not a matter of raw material, but of a certain vital bit of equipment which was made by only one factory in the country. The process of manufacture had been passed down from generation to generation in a certain family, and shortly after the United States entered the war in 1917, one of the two men who knew that process enlisted and went overseas.

The older man decided to retire from business and close his shop.

From his standpoint money was not an object, as he had enough, and preferred his ease to further work.

In this extremity the bureau approached him, set forth the urgency of the case, and induced him to sell his plant to the industry
1081 which was dependent upon it, with the proviso that he would personally remain for six months to teach the art to a successor.

Today that bit of material is made by a company cooperatively owned in the industry, and they have not only placed themselves beyond the possibility of its lack, but are getting more efficient equipment than ever before.

It has been said that if this man had gone out of business, the publication of great newspapers would have been held up for days, and many printing plants would have closed. The solution of the difficulty, therefore, was a public service of the highest order.

Aside from the actual supply of raw material, many industries can well give their attention to standardization of the products they use and the equipment they buy. These things are natural activities where cooperation is intensive, and are just as naturally followed by cooperative buying of such supplies as are used by all. In the latter procedure there are tremendous possibilities for economies, and improvement in service; and in industries whose raw materials fluctuate, there is an opportunity to remove that speculative feature which is admittedly unsound business.

1082 The saving in all lines of insurance made by cooperation among manufacturers is too well known to require detailed mention, although it is interesting to note that one of the latest developments in a rather large group is the mutual insurance of pleasure automobiles against theft, fire, liability, and accident hazards.

There is a mistaken impression that any group of manufacturers handling labor problems cooperatively is unfair to labor. The influence of the Armstrong Bureau upon the labor activities of the groups with which it is associated, is thrown altogether toward bringing about better mutual understanding, and a recognition of the fact that the interests of employer and worker are ultimately the same.

There are numerous constructive labor leaders in the country who are not only willing but glad to deal with the bureau as a party to their relations with employers, and it is also a fact that the manufacturers have found the bureau's work in this connection a valuable part of the service.

Aside from acting as a unit in dealing with both organized and unorganized labor—thus carrying to its final destination the
1983 principle of collective bargaining—groups operating under the Armstrong plan accomplish much in the matters of labor supply, standardization of wages, and shop control.

One group, finding that there is much shifting from plant to plant, and even from city to city, as a result of rumors as to higher wages,

is undertaking a wage standardization and educational plan which will eliminate the very considerable economic loss to the workers, the plants, and the public, which results from that condition.

In another industry, a joint industrial relations committee is in process of organization, and this body, composed of employers and representatives of the men, will meet at frequent intervals to deliberate upon all matters of mutual interest. It is confidently expected that both factors will derive much benefit from the work of this committee, which has for its objective the advancement of the industry, rather than the specific interests of workers and employers.

These manufacturers have already secured splendid co-operation from the men in the matter of meeting German imports, which, owing to the depreciation of the mark, are being sold in the United States at prices below the domestic manufacturing cost. There is
1084 little doubt that, as the work gets into full swing, this industry will present a splendid example of manufacturers and employees doing constructive things—under the rule of intelligent selfishness—for the benefit of both.

Chapter IX. Co-operation Between American and Foreign Groups.

Among the very considerable number of people who believe that the World War was caused by commercial suspicion and misunderstanding are many leaders of economic thought. Without adopting or rejecting this hypothesis we must recognize that those destructive features of competition which make mortal enemies of men in the same nation and community must inevitably produce bitterness between business men of different nationalities and widely separated viewpoints.

If the manufacturers and leaders of business in, for instance, Great Britain, France, Italy, Germany, Japan, and the United States were to have certain community of interest, a ground on which they could meet with some degree of mutual understanding and profit, it seems quite certain that the best of diplomacy would have to take a back seat as a preventive of wars.

1086 The desirability of such international commercial understanding is quite generally admitted, and plans are on foot for international conventions and visits of missions back and forth. Many of these things will have eventuated before this volume is published, and there is much ground for hope in this tendency to discuss mutual problems.

Perhaps it is not pessimistic to feel, however, that much of this effort will lack definite direction and will not operate even as well as have many of the trade associations in our own business world. It is also fair to foresee that a sentimental relation alone will not cure the evils of international competition any more than it will cure the destructive features of domestic competition. With vast spaces necessarily separating the American manufacturers of a given commodity from competing manufacturers in France and

England, the influence of rumors and suspicion is going to be even more potent than it has proved among American manufacturers, and no mere sentimental bond will stand the strain when the international competitors begin to act upon those suspicions and rumors.

The point is illustrated by an actual occurrence at a recent
1087 gathering of American business men to discuss foreign trade:

A young man, more impulsive than vicious, endeavored to drive home his remarks on the export lethargy of the American business man by a violent attack on the commercial tactics of England. He told, with much color, of underhanded and treacherous means by which England hoped to eliminate the United States from the world's markets; he cited as facts the beginnings of those treacheries, even while American business was giving its whole effort to the winning of the war; he not only worked himself to a fine frenzy, but carried some of his audience with him.

When he finished in a burst of rhetorical abuse, there were several others ready to take the floor to argue pro and con, but the chairman—either by intuition or God-given fortune—recognized a man who appealed for a hearing by the very impressiveness of his appearance.

The speaker introduced himself as a Briton, head of a widely known commission to this country, and after apologizing for his presence, proceeded to take convincing exception to the misguided young man's tirade. He was obviously hurt rather than angry,

and with a dignity and sincerity that brought his hear-
1088 ers into complete sympathy, he nailed every specific instance of British infamy as rumor or suspicion.

He finished with a splendid plea for confidence as a basis for better commercial relations between the English speaking nations, citing the British reputation for good sportmanship as a reason for verifying rumors of sharp practice before acting upon them, but unfortunately presented no system which could assure the result suggested.

Englishmen have stated on numerous occasions that though their business men place the highest value upon their pledges, there has been little satisfactory result from their permitted attempts to fix and maintain prices among competitors.

These statements are borne out by the immediate interest shown by substantial English manufacturers in a presentation of the Armstrong plan of co-operation as prepared for extension to international scope. This presentation was made at the instance of an American group operating under the plan, and—basing the statements on the progress made thus far—there is every reason to

believe that the British, French, and Spanish manufacturers
1089 will eventually become organized under this plan. If this occurs, it requires but little imagination to see the tremendous potentialities of the development from a commercial viewpoint and the possible effect upon international relations of its spread to other industries.

The basing of international competition on accurate, complete facts, to the entire confusion of rumors; the contact of national representatives for the purpose of improving the industry in which they are vitally interested; the building of mutual confidence between these manufacturers, and its natural spread to others indirectly associated—all these things hold big promise of influence on international relations, and while their accomplishment is a matter of time, substantial progress toward that accomplishment has already been made.

Let no man proclaim that his plan alone will prevent war and its horrors; the end to be gained is great enough so that every agency and every means should be invoked toward its attainment, but intelligent selfishness will prove to be the underlying principle in the plan which permanently succeeds.

1090 Conclusion.

In these days there is much talk of cooperation, putting shoulders to the wheel, getting together, and the like.

The doctrine is obviously sound, but the business man is likely to ask himself, "What can I do to help, and how am I to do it? What effect is my localized effort going to have upon present unsettled conditions"?

The answer is clear. Each optimistic individual exponent of intelligent selfishness makes converts in his own business institution; each business institution following the principle helps to convert other business institutions; the influence of the resulting groups is felt in national affairs, and so spreads to international relations.

Since each link in the chain profits financially as well as sentimentally by its practice of the principle, results will not be slow in coming.

This book shows by the recital of concrete cases how the principle has been applied among individuals and among groups,
1091–1093 and forecasts definite progress internationally. If the reader gets from it the germ of an idea, the volume is justified, because the germ of an idea backed by proof of practicability is all that the American business man needs.

1094 PLAINTIFF'S EXHIBIT 14.

[Oil Paint and Drug Reporter, March 29, 1920.]

A STABILIZED MARKET IS A PUBLIC SERVICE MARKET.

Most buyers of linseed oil use that product in materials of which the oil is only a part.

Such finished products must be manufactured and distributed well in advance of their purchase and use by the consumer—the public.

The manufacturers of those finished products, in order to produce and merchandise them at a profit, should be afforded as stable a raw material market as the producers of such raw material can lawfully afford them.

Manufacturers of linseed oil, members of the Linseed Crushers' Industrial Council, are working at all times towards a stabilized market for their product by their co-operative work through the service of the Armstrong Bureau of Related Industries.

In addition to that public service many features of merchandising which were against the best interests of the industry and the trade have been eliminated since the institution of their co-operative work.

Users of linseed oil will receive a comprehensive explanation of the co-operative activities of this group of manufacturers by writing for the book, "Intelligent Selfishness a Business Builder."

Or a personal visit for the same purpose is cordially invited.

Call or write, Linseed Crushers' Industrial Council, directed by the Armstrong Bureau of Related Industries, 11 La Salle street, south, Chicago, Illinois.

1095 PLAINTIFF'S EXHIBIT 15.

[Armstrong Bureau of Related Industries.]

Zone #1.—Oil sales (taken from daily sales reports).

		1918—Date.						
		10/8	10/10	10/14	10/15	10/16	10/17	10/19
Sub. #1 and 2. No sales								
Sub. #3	S			5,000			33,200	
	F		13,000					
Sub. #4. No sales								
Sub. #5	F				16,600			
Sub. #6	S					4,000	6,000	
	F	5,000	4,000				16,000	
	U				24,000			
Sub. #7, 8, 9, 10, and 11. No sales								
Sub. #12	F							20,400
	U						6,800	

		1918—Date.						
		10/21	10/22	10/23	10/24	10/25	10/26	10/28	10/30
Sub. #1	F				8,000		10,000		
Sub. #2. No sales									
Sub. #3	F			8,300		70,000	16,600	8,300	
	U		8,300	8,300			15,000		
Sub. #4. No sales									
Sub. #5	F			16,600	33,200	41,500			
Sub. #6	F	8,000		16,000	8,000	40,000			
Sub. #7	F			3,400		24,900			
Sub. #8. No sales									
Sub. #9	S					3,400			12,500
Sub. #10	F								
	U		6,700						
Sub. #11. No sales									
Sub. #12	F			4,100		105,000	24,100		

Zone #1.—Oil sales (taken from daily sales reports)—Continued.

1096

		1918—Date.								
		11/2	11/4	11/6	11/7	11/8	11/9	11/16	11/19	11/23
Sub. #1	S							3,400		
	F		45,000							
Sub. #2	F			3,000		3,400				
Sub. #3	S	5,750		7,200						
	F				16,600	4,450				
Sub. #4. No sales										
Sub. #5	S				6,000					
Sub. #6	F					24,500				
Sub. #7	S					3,400				
	F					12,250				
Sub. #8. No sales										
Sub. #9	S								3,500	
	F					10,000				
Sub. #10	F						6,250			
Sub. #11. No sales										
Sub. #12	F					12,500				3,500

		1918—Date.								
		12/3	12/10	12/12	12/14	12/17	12/18	12/20	12/21	12/23
Sub. #1	S					5,000				
Sub. #2. No sales										
Sub. #3	F	2,500								
Sub. #4. No sales										
Sub. #5	S			5,750	6,500					3,400
Sub. #6	F						3,400			
Sub. #7, 8, and 9. No sales										
Sub. #10	U		5,800							
Sub. #11	S							16,470		
Sub. #12	S						3,500			
	F								3,500	

1097

1918—Date.		1919—Date.								Zone #1.	
		12/27	1/2	1/4	1/7	1/8	1/9	1/10	1/15	1/16	1/17	1/18
Sub. #1	F		15,350									
Sub. #2. No sales	S										4,000	
Sub. #3	S						30,000					
	F											
Sub. #4. No sales												
Sub. #5	S				3,400	8,300		3,400				8,000
	F											
Sub. #6	F										3,400	
Sub. #7, 8, 9, and 10. No sales												
Sub. #11	S	8,300	8,201		8,255			8,025	8,179		8,226	
Sub. #12	S									3,400		
	F									3,500		

		1919—Date.									
		1/20	1/21	1/23	1/24	1/25	1/27	1/28	1/29	1/30	1/31
Sub. #1 and 2. No sales											
Sub. #3	F		4,000	4,000							
Sub. #4. No sales											
Sub. #5	S		15,100		8,000					6,000	8,000
	F									10,000	
Sub. #6	S	8,000									10,000
Sub. #7	S										8,300
Sub. #8 and 9. No sales											
Sub. #10	S	6,500					3,400				
	F										
Sub. #11	S					8,245		8,248	8,228		8,226
Sub. #12. No sales											

Zone #1.—Oil sales (taken from daily sales reports)—Continued.

1098		1919—Date.										
		2/3	2/4	2/6	2/10	2/12	2/13	2/14	2/15	2/18	2/19	2/20
Sub. #1	S.										3,250	
Sub. #2	S.								3,500			
	F.											7,000
Sub. #3	F.				4,000	6,250	4,000	3,750				7,500
Sub. #4. No sales.												
Sub. #5	S.			8,000							3,800	
Sub. #6	S.		3,500								10,500	25,000
	F.							17,000		3,500		41,000
Sub. #7	S.	3,400							8,300			
Sub. #8. No sales.												
Sub. #9	S.					3,400						
	F.										3,500	3,500
Sub. #10 and 11. No sales.												
Sub. #12	S.										3,400	

		1919—Date.										
		2/21	2/22	2/24	2/25	2/26	2/27	2/28	3/1	3/3	3/4	3/5
Sub. #1	S.	6,000		8,000				15,000	3,400			10,250
	F.											
Sub. #2	S.		3,400							7,000	3,500	14,000
	F.											
Sub. #3	S.	3,500										
	F.	5,000		2,500								2,850
Sub. #4	S.						3,250					
Sub. #5	S.					8,000		8,000				
	F.						24,000			85,000	35,000	24,000
Sub. #6	S.											8,000
	F.			3,500			3,500			10,000		123,750
Sub. #7	S.				3,400							
	F.											6,800
Sub. #8. No sales.												
1099 Sub. #9	F.									32,500		26,000
Sub. #10 No sales.												
Sub. #11	S.	8,233		8,225								
Sub. #12	S.					3,400				3,650	3,500	
	F.			16,600			3,400	8,300		3,750	10,000	

		1919—Date.									
		3/6	3/7	3/10	3/12	3/13	3/15	3/17	3/18	3/19	3/20
Sub. #1	F.	3,500	4,250								
Sub. #2. No sales.											
Sub. #3	F.	7,500	3,500								
Sub. #4	F.							4,950			
Sub. #5	S.				3,400			50			
	F.	15,500									26,000
Sub. #6	S.								8,000		3,500
	F.									10,500	12,000
Sub. #7	F.	3,500									
Sub. #8. No sales.											
Sub. #9	S.			3,500							
	F.	6,500									
Sub. #10	S.	3,400									
Sub. #11	S.										8,227
Sub. #12	S.	3,400									
	F.	29,300	12,500			5,000	3,400			3,400	

Zone #1.—Oil sales (taken from daily sales reports)—Continued.

1100

	1919—Date.							
	3/21	3/22	3/24	3/25	3/26	3/27	3/28	3/31
Sub. #1 S.					3,500			
Sub. #1 F.						6,000		
Sub. #2. No sales.								
Sub. #3 F.			3,750					
Sub. #4. No sales.								
Sub. #5 S.			6,800	3,800		3,400		
Sub. #5 F.	5,000						3,400	
Sub. #6 S.			3,500					6,000
Sub. #6 F.			3,500			5,000		
Sub. #7 and 8. No sales.								
Sub. #9 F.	8,500							
Sub. #10 and 11F. No sales.								
Sub. #12 S.		3,400		5,000	3,500			3,000
Sub. #12 F.								

	1919—Date.									
	4/1	4/4	4/5	4/7	4/8	4/9	4/10	4/11	4/15	4/16
Sub. #1 F.						3,400	11,500	6,800		
Sub. #2 F.						7,000		7,000		
Sub. #3 S.	3,750			3,400						
Sub. #3 F.				3,400	3,750		14,500	25,000	3,400	
Sub. #4. No sales.										
Sub. #5 F.							15,900			
Sub. #6 S.		7,000					7,000			
Sub. #6 F.							49,000	8,000		
Sub. #7 S.						8,300				
Sub. #7 F.						6,800				
Sub. #8. No sales.										3,500
Sub. #9 S.						10,000	21,000			
Sub. #9 F.						3,400				
Sub. #10 S.							8,234			
Sub. #11 S.			8,227					3,500		
Sub. #12 S.								3,500		5,000
Sub. #12 F.		6,900			6,800		10,200			

	Date.								
	4/17	4/21	4/22	4/23	4/24	4/25	4/26	4/28	4/29
Sub. #1 F.				33,650					
Sub. #2 F.					14,000				
Sub. #3 F.	3,750			16,200	68,150	55,100			
Sub. #4 F.			13,500						
Sub. #5 F.				25,000	304,300				16,000
Sub. #6 F.	13,500		21,000	39,000	344,150	30,000			
Sub. #7 F.					93,400		200,000		
Sub. #7 U.									
Sub. #8 F.					17,000				
Sub. #9 F.					41,000	70,400			
1102 Sub. #10 and 11. No sales.									
Sub. #12 F.	3,500	8,300		41,900	57,200	36,900		3,750	

	1919—Date.									
	4/30	5/1	5/2	5/3	5/5	5/6	5/8	5/9	5/10	5/13
Sub. #1 F.									3,400	
Sub. #2. No sales.										
Sub. #3 F.	2,500			1,750				133,000	3,400	3,500
Sub. #4 S.			3,300				3,500			
Sub. #4 F.										
Sub. #5 S.					6,800	6,800				
Sub. #6 S.			8,000							
Sub. #6 F.	8,000					16,000		3,500		7,000
Sub. #7 S.						3,400				
Sub. #7 F.	3,400		25,000							
Sub. #8, 9, and 10. No sales.										
Sub. #11 S.		8,116								7,000
Sub. #12 F.					3,750					

Zone #1.—Oil sales (taken from daily sales reports)—Continued.

		1919—Date.									
		5/14	5/15	5/16	5/17	5/19	5/20	5/21	5/22	5/23	5/24
Sub. #1	S.	8,500				3,400					
	F.						22,000			6,000	
Sub. #2	F.	7,000	3,500		10,500						3,300
Sub. #3	F.	7,130	6,350	3,750	11,250		6,100			5,000	
Sub. #4	F.	3,500	3,750								
Sub. #5	F.	20,000		88,900		5,000			5,000		
Sub. #6	S.	3,400						44,250			
	F.	16,000	23,000	15,500		3,500	35,000			10,000	25,300
Sub. #7	S.					3,400					
Sub. #8. No sales											
Sub. #9	F.						3,500				
1103 Sub. #10. No sales											
Sub. #11	S.			8,238							8,212
Sub. #12	F.	15,000	32,150	14,300							6,300

		1919.—Date.									
		5/26	5/27	5/28	5/29	5/31	6/2	6/3	6/4	6/5	6/6
Sub. #1	F.				10,300			3,500	7,500		
Sub. #2	F.									3,400	
Sub. #3	F.	9,250		6,000	11,900	16,000		15,150	10,300	25,000	1,875
Sub. #4	F.			7,250						3,750	
Sub. #5	S.							3,400			
	F.		109,750	16,000			3,400	10,000			
Sub. #6	S.								3,400		
	F.	8,000		104,650			20,000	18,000		10,000	
Sub. #7	F.					3,400					
Sub. #8. No sales											
Sub. #9	S.							8,000			
	F.			23,800				10,000	3,500		
Sub. #10	F.			3,500							
Sub. #11	S.			8,133							
Sub. #12	S.	3,500									
	F.	16,800	6,250	54,150			7,500	18,750	35,650	10,200	126,000
Sub. #14. No sales											

		1919.—Date									
		6/7	6/9	6/10	6/11	6/12	6/13	6/14	6/16	6/17	6/18
Sub. #1	F.								3,400		
Sub #2. No sales											
Sub. #3	F.	7,500			1,500					50,000	4,625
Sub. #4	S.		3,500								
	F.					5,000		10,500			
1104 Sub. #5	S.								6,800		
	F.			42,200	3,750						
Sub. #6	F.	6,800		3,500	10,000						
Sub. #7 and 8. No sales											
Sub. #9	F.					3,500					5,000
Sub. #10	F.						6,800				
Sub. #11	S.			8,117							
Sub. #12	F.		6,800			10,100	3,500				
Sub. #14. No sales											

		1919—Date.								
		6/20	6/21	6/22	6/23	6/24	6/25	6/26	6/27	6/30
Sub. #1	F.								5,000	10,200
Sub. #2	U.									5,000
Sub. #3	S.									5,000
	F.							11,500	5,000	
Sub. #4	S.						8,000			
	F.		3,400			24,000				10,200
Sub. #5	S.									42,500
	F.									
Sub. #6	F.	16,000		3,400				3,400	32,000	
Sub. #7, 8, and 9. No sales										
Sub. #10	F.									6,800
Sub. #12	F.				16,000	3,500	20,000	5,000		39,200
Sub. #14. No sales										

Zone #1.—Oil sales (taken from daily sales reports)—Continued.

1105	1919—Date.									
	7/1	7/2	7/3	7/7	7/8	7/9	7/10	7/11	7/12	7/14
Sub. #1 F	27,000									
Sub. #2 F		3,400								
Sub. #3 F	23,150	50,000		6,900	6,800			3,500	4,000	4,000
Sub. #4. No sales										
Sub. #5 F								7,500		
Sub. #6 S						8,000				3,400
Sub. #6 F					24,000	7,000	25,500	7,000	16,000	7,000
Sub. #7 and 8. No sales										
Sub. #9 F				3,400	6,800					
Sub. #10. No sales										
Sub. #11 S	8,085									
Sub. #12 F	36,700		13,800	10,200	35,650	3,750	3,700			15,300
Sub. #14. No sales										

	Date.								
	7/15	7/16	7/17	7/18	7/21	7/22	7/23	7/25	7/26
Sub. #1 F				8,000					3,400
Sub. #2 S					3,400	8,000			
Sub. #3 F	6,000			4,000					
Sub. #4 F						3,500	3,500		
Sub. #5 S	13,200								
Sub. #5 F			7,500					40,000	
Sub. #6 S	6,000			3,400					
Sub. #6 F	40,000	32,000	8,000						
Sub. #7, 8, 9, 10, and 11. No sales								16,600	
Sub. #12 F									
Sub. #14. No sales									

1106	1919—Date.										
	7/28	7/29	8/1	8/2	8/4	8/5	8/6	8/7	8/8	8/9	8/11
Sub. #1 S					8,000						
Sub. #2. No sales											
Sub. #3 F		3,500									
Sub. #4 S	8,000										
Sub. #4 F			7,000								
Sub. #5 F								24,000			
Sub. #6 F		6,000		24,000					6,000		
Sub. #7, 8, 9, and 10. No sales											
Sub. #11 S										8,094	
Sub. #12 F	30,000					24,000					5,000
Sub. #14. No sales											

	Date.								
	8/12	8/13	8/14	8/15	8/18	8/19	8/20	8/21	8/22
Sub. #1 S						3,400		3,400	
Sub. #2. No sales									
Sub. #3 S									6,000
Sub. #3 F			3,250						
Sub. #4 S		3,500							
Sub. #5 S				3,400		2,500			
Sub. #5 F				40,000	20,000	15,000			8,000
Sub. #6 S	3,400								
Sub. #6 F	21,000			56,000		7,000			
Sub. #7, 8, 9, 10, and 11. No sales									
Sub. #12 F	7,000			20,400			8,300	8,300	
Sub. #14. No sales									

Zone #1.—Oil sales (taken from daily sales reports)—Continued.

1107	1919—Date.				
	8/25	8/26	8/27	8/29	8/30
Sub. #1 F					3,500
Sub. #2. No sales					
Sub. #3 F				100,000	
Sub. #4 F					6,800
Sub. #5 F	15,000		68,400		168,750
Sub. #6, 7, 8, 9, and 10. No sales					
Sub. #11 S					7,619
Sub. #12 F		21,700	16,600		8,300
Sub. #14. No sales					

1108	1919—Date.										
	9/2	9/3	9/4	9/5	9/6	9/8	9/9	9/11	9/12	9/15	9/16
Sub. #1 and 2. No sales											
Sub. #3 S							16,000			3,500	3,400
Sub. #3 F		16,000		34,900						8,000	
Sub. #4 F				13,000							
Sub. #5 S		3,400		6,000							
Sub. #5 F				15,000							3,400
Sub. #6 S				8,000			96,000				
Sub. #6 F			8,000						5,000		
Sub. #7 and 8. No sales											
Sub. #9 S				3,400							
Sub. #9 F		8,000									
Sub. #10 S							3,400				
Sub. #11 S			8,106	8,198							
Sub. #12 F	4,000	8,000	28,500	38,200	5,000	8,300		6,250			

	1919—Date.							
	9/17	9/19	9/20	9/24	9/25	9/26	9/29	9/30
Sub. #1 and 2. No sales								
Sub. #3 F	8,300				24,000			
Sub. #4 F								3,500
Sub. #5 F				18,750				3,400
Sub. #6 F	11,750							
Sub. #7 and 8. No sales								
Sub. #9 S			3,500					
Sub. #10. No sales								
Sub. #11 S			8,137				8,153	
Sub. #12 F		3,400				24,900		5,000
Sub. #14. No sales								

1109	1919—Date.									
	10/1	10/2	10/3	10/4	10/6	10/7	10/8	10/9	10/10	10/11
Sub. #1 F			8,000		16,600	50,900		112,300		
Sub. #2 S				7,000						
Sub. #2 F										
Sub. #3 F	3,400	3,500		11,000	86,800	84,700	22,500	24,000		
Sub. #4 F				3,400	25,000	224,200		13,500		
Sub. #5 F					25,000	14,000		3,500		
Sub. #6 F	8,000	8,000	52,000	74,000	38,000	50,000	498,250		25,000	
Sub. #7 F						151,000	36,500	18,000	60,000	15,000
Sub. #8. No sales						98,000	24,700			3,400
Sub. #9 S						3,500				
Sub. #9 F						7,000	107,500	9,500		
Sub. #10 F	3,400			50,000						
Sub. #11 S		8,050		8,177				8,149		
Sub. #12 F		24,300	16,000		50,000	211,950	130,450	20,000		
Sub. #14. No sales.										

Zone #1.—Oil sales (taken from daily sales reports)—Continued.

		1919—Date.								
		10/13	10/14	10/15	10/16	10/18	10/20	10/21	10/22	10/23
Sub. #1	F				7,000	6,800	6,800			
Sub. #2	F						8,500			
Sub. #3	S		8,000		3,400				3,000	1,250
	F	10,000	3,400	15,000	4,000					
Sub. #4. No sales										
Sub. #5	F						10,200		100,000	6,000
Sub. #6	S		7,300			4,000	3,500			
	F	16,000	3,750	5,000			10,300			50,000
Sub. #7	F				3,400					
Sub. #8	F			6,800						
Sub. #9. No sales.										
Sub. #10	F	7,250			3,400				3,400	
1110 #11	S								8,196	
Sub. #12	F						6,800	7,000		15,000
Sub. #14. No sales										

		1919—Date.						
		10/24	10/25	10/27	10/28	10/29	10/30	10/31
Sub. #1	S		3,400					
	F	3,400		5,250				
Sub. #2	F		10,000					
Sub. #3	F	24,000	2,500		8,000	10,500	8,000	8,000
Sub. #4. No sales								
Sub. #5	F	5,000		7,150		10,200		
Sub. #6	S			16,000				
	F	8,000				7,000		42,750
Sub. #7 and 8. No sales.								
Sub. #9	F				25,000			
Sub. #10	F		2,400					
Sub. #11	S	8,201						
Sub. #12	F		17,500	32,500	14,000		16,000	
Sub. #14. No sales								

		1919—Date.									
		11/1	11/3	11/4	11/5	11/6	11/7	11/8	11/10	11/11	11/12
Sub. #1	S			3,400							
	F	24,000		27,200	8,000		25,250	22,700			
Sub. #2	F						13,600	3,400			
Sub. #3	F		1,875	13,300	3,500	15,000	22,100	91,000		21,000	260,000
Sub. #4	F				7,000		8,500	13,500	27,500		7,000
Sub. #5	S			3,400				3,400	7,650		
	F			50,000		150,000	521,100	22,500			140,000
Sub. #6	F		54,500	57,000	7,000	28,750	173,500	327,000	8,500	7,000	3,500
Sub. #7	F						25,000	31,800			
Sub. #8. No sales.											
1111 Sub. #9	F					8,000		40,000			8,500
Sub. #10	F								50,000		
Sub. #11	S		8,134					8,149			
Sub. #12	F		13,500	14,450		7,500	21,750	33,000	27,000	18,700	44,950
Sub. #14—No sales.											

		1919—Date.									
		11/13	11/14	11/15	11/17	11/18	11/19	11/21	11/22	11/24	11/25
Sub. #1	F	30,200	3,400					10,200		64,000	5,000
Sub. #2	S						3,400				
	F									56,000	
Sub. #3	F			8,000		3,750		2,000	3,400	18,700	16,000
Sub. #4	F	67,500	48,000								
Sub. #5	S		3,400				3,400		3,400		3,400
	F	67,700		25,000	4,000	3,250				5,500	12,500
	U			3,400							
Sub. #6	S		3,500			16,000	3,750	3,500			
	F		7,000	8,000				10,500			17,500
Sub. #7	F	10,150					3,400		12,500		3,750
Sub. #8 and 9—No sales.											
Sub. #10	S					3,400		3,400			
Sub. #11	S				8,162					8,189	
Sub. #12	F	32,050	12,000							9,900	5,000
Sub. #14—No sales.											

Zone #1.—Oil sales (taken from daily sales reports)—Continued.

		1919—Date.									
		11/26	11/28	11/29	12/1	12/2	12/3	12/4	12/5	12/6	12/8
Sub. #1	F.	3,400	27,400	.....	.....	81,100	13,700	.....	.....	.....	7,8
Sub. #2—No sales.											
Sub. #3	S.	1,700	.....	.....	.....	.....	.....	.....	.....	.....	.....
	F.	4,000	.....	20,400	7,000	.....	5,900	.....	5,200	.....	.....
Sub. #4	F.	.....	.....	.....	.....	.....	15,000	3,400	3,500	.....	.....
1112 Sub. #5	S.	.....	.....	.....	3,750	.....	.....	.....	.....	.....	.....
	F.	.....	.....	.....	.....	2,500	3,400	.....	.....	7,500	.....
Sub. #6	S.	.....	.....	6,000	.....	.....	.....	.....	.....	.....	.....
	F.	10,000	10,500	.....	.....	.....	.....	.....	27,500	4,000	3,5
Sub. #7 and 8—No sales.											
Sub. #9	F.	.....	3,500	.....	.....	.....	.....	77,900	.....	.....	.....
Sub. #10 and 11—No sales.											
Sub. #12	F.	21,250	3,500	.....	74,100	16,400	16,500	5,000	38,750	8,750	30,0
Sub. #14—No sales.											

	1919—Date.									
	12/9	12/10	12/11	12/12	12/13	12/15	12/17	12/18	12/19	12/2
Sub. #1—No sales.										
Sub. #2 F.	.....	.....	.....	.....	.....	.....	3,500	.....	.....	.....
Sub. #3 F.	.....	3,500	.....	900	.....	.....	.....	18,750	17,200	1,5
Sub. #4 F.	.....	.....	10,500	.....	.....	.....	.....	.....	.....	.....
Sub. #5 F.	.....	.....	16,000	.....	.....	2,500	2,500	.....	.....	.....
Sub. #6 F.	10,750	27,000	.....	.....	.....	.....	.....	.....	25,000	.....
Sub. #7, 8, and 9—No sales.										
Sub. #10 F.	.....	.....	.....	.....	25,000	.....	.....	.....	.....	.....
Sub. #11—No sales.										
Sub. #12 F.	6,800	.....	.....	.....	.....	.....	.....	.....	.....	3,0
Sub. #14—No sales.										

	1919—Date.		
	12/24	12/26	12/30
Sub. #1 F.	10,000	.....	15,0
Sub. #2—No sales.			
Sub. #3 F.	.....	.....	16,0
Sub. #4—No sales.			
Sub. #5 F.	.....	7,400	.....
Sub. #6, 7, 8, 9, 10, and 11—No sales.			
Sub. #12 F.	15,000	60,000	.....
Sub. #14—No sales.			

1113	1920—Date.										
	1/3	1/8	1/9	1/10	1/12	1/13	1/14	1/15	1/16	1/17	1/1
Sub. #1 F.	.....	.....	5,000	.....	7,500	.....	.....	.....	.....	.....	10,0
Sub. #2 F.	3,500	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #3 F.	.....	7,500	.....	.....	.....	.....	48,000	6,000	18,500	600	.....
Sub. #4 F.	.....	.....	.....	10,200	.....	.....	34,200	.....	.....	.....	6,0
Sub. #5 F.	.....	.....	.....	.....	35,200	16,000	.....	.....	25,000	.....	.....
Sub. #6 F.	.....	50,000	.....	.....	15,000	45,150	.....	.....	8,000	.....	.....
Sub. #7 and 8. No sales	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #9 S.	.....	.....	.....	.....	.....	.....	8,000	.....	.....	.....	.....
Sub. #10. No sales	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sub. #11 S.	.....	.....	.....	.....	.....	8,185	.....	.....	8,154	.....	.....
Sub. #12 F.	.....	.....	.....	.....	5,000	.....	10,000	20,000	.....	.....	.....
Sub. #14. No sales	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

Zone #1.—Oil sales (taken from daily sales reports)—Continued.

		1920—Date.										
		1/20	1/21	1/23	1/24	1/26	1/29	1/31	2/2	2/3	2/4	2/5
Sub. #1	F		3,500						3,400		14,000	
Sub. #2. No sales												
Sub. #3	S			8,000		8,000	12,000					
	F					18,500					2,500	3,400
Sub. #4	F								38,800		8,000	
Sub. #5	S		6,800		8,000							
	F		25,000	10,000								
Sub. #6	S								3,400			
	F		3,500		3,500			40,000	82,000	8,000		
Sub. #7 and 8. No sales												
Sub. #9	F									3,500		8,000
Sub. #10	F	3,400										3,400
Sub. #11	S	8,154					8,198					
1114 Sub. #12	F				20,000				5,000			

		Date.									
		2/6	2/10	2/14	2/19	2/21	2/25	2/26	2/27	2/28	
Sub. #1	F						7,000	40,000	7,500		
Sub. #2	F		30,000				10,500	10,500			
Sub. #3	S				5,250	24,000					
Sub. #4	F								17,500		
Sub. #5	F	75,000						203,000	2,500	24,700	
Sub. #6	S							3,500			
	F						8,000	14,000			
Sub. #7	S			3,400							
	F									13,600	
Sub. #8. No sales											
Sub. #9	F							10,000	8,000		
Sub. #10. No sales											
Sub. #11. No sales											
Sub. #12	F			10,200	3,750						
Sub. #14. No sales											

1115		1920—Date.										
		3/1	3/2	3/3	3/4	3/5	3/6	3/8	3/9	3/10	3/11	3/12
Sub. #1	F				25,000	83,800				3,500	3,400	10,000
Sub. #2	F	2,500		3,500				38,000		3,500		
Sub. #3	S					3,400					1,875	
	F		1,875		19,000		6,000		2,500		2,500	
Sub. #4. No sales												
Sub. #5	S					3,400			8,000			
	F										18,000	
Sub. #6	S								16,000			
	F								3,500	64,000		
Sub. #7	F					17,000			3,400		10,200	
Sub. #8. No sales												
Sub. #9	F				16,800				3,500		35,400	56,000
Sub. #10, 11, and 14. No sales												

		1920—Date.									
		3/13	3/16	3/17	3/18	3/19	3/20	3/26	3/27	3/29	3/30
Sub. #1	S							8,000		3,400	6,000
Sub. #2. No sales											
Sub. #3	F	3,400									
Sub. #4	F		3,750		32,000		3,400				
Sub. #5	S				3,400	3,400					
	F						6,800				
Sub. #6. No sales											
Sub. #7	F										13,600
Sub. #8. No sales											
Sub. #9	F			17,000							
Sub. #10	F								3,400		
Sub. #11 and 14. No sales											

Zone #1.—Oil sales (taken from daily sales reports)—Continued.

1116

		1920—Date.										
		4/1	4/3	4/5	4/6	4/7	4/9	4/13	4/17	4/22	4/27	4/30
Sub. #1 and 2. No sales												
Sub. #3	F.	3,500										6,5
Sub. #4	F.					3,400	5,000					
Sub. #5	S.	11,400	8,000		8,000	3,400						
	F.								6,800		8,000	
	U.			4,000								
Sub. #7 and 8. No sales												
Sub. #9	S.							3,750				
	F.									3,750		
Sub. #10, 11, and 14. No sales												

		1920—Date.									
		5/1	5/4	5/6	5/8	5/11	5/19	5/22	5/25	5/27	5/28
Sub. #1	F.										3,50
Sub. #2	S.		3,400		7,000	7,000				3,500	
	F.										3,50
Sub. #3. No sales											
Sub. #4	S.							3,400			
	F.	10,000									
Sub. #5	F.			8,000							
Sub. #7	S.								3,400		
Sub. #8. No sales											
Sub. #9	F.			3,500							
Sub. #10	F.						3,400				
Sub. #11 and 14. No sales											

1117

		1920—Date.										
		6/1	6/8	6/9	6/14	6/16	6/18	6/21	6/22	6/23	6/25	6/28
Sub. #1	S.	3,500										
	F.											3,40
Sub. #2. No sales												
Sub. #3	F.						125,000			5,250		
Sub. #4	S.										3,500	
	F.					12,000					1,750	3,50
Sub. #5	S.									6,800		
	F.		27,500	60,000	4,500			100,000				50,00
Sub. #7, 8, and 9. No sales												
Sub. #10	F.								3,600			
Sub. #11 and 14. No sales												

		1920—Date.	
		6/29	6/30
Sub. #1 and 2. No sales			
Sub. #3	F.		15,00
Sub. #4	F.	10,000	8,00
Sub. #5	F.	10,000	
Sub. #7 and 8. No sales			
Sub. #9	F.		3,50
Sub. #10, 11, and 14. No sales			

PLAINTIFF'S EXHIBIT 16.

1118 [Copy.]

Market Letter No. 2—Official Business of Flaxseed Crushing Industry—Sept. 19, 1918.

MINUTES OF THE FIRST MEETING OF THE CRUSHERS OF FLAXSEED, SUBSCRIBERS TO THE ARMSTRONG BUREAU SERVICE, HELD AT THE CHICAGO ATHLETIC CLUB ON TUESDAY, SEPT. 17, 1918.

1. Meeting called to order at 2.30 p. m.

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7. Discussion of price lists was then taken up. Mr. Kellogg suggested that fractions of cents per gallon in linseed prices was not a good merchandising practice for the industry and the discussion which followed brought a unanimous support of this contention.

8. There was then a general discussion on the matter of zones, or market areas in which subscribers should report to the bureau their various quotations and sales, and various suggestions for the use of Minneapolis and New York as basing points were considered. The matter was finally settled by motion from Mr. Warner that the bureau make a map, with the cooperation of such subscribers as may be necessary, showing various zones to cover the exchange of market information, and that copy of such map, when completed, be mailed to each subscriber who shall then, at once, file his quotations and reports for each zone shown, and in accordance with the provisions of the service contract. Carried.

9. Further discussion of the zone matter by Messrs. Nolan, Bolton, Hirst, Adams, Kellogg, and Warner developed the suggestion that New York, Buffalo, Toledo, Chicago, Minneapolis, and Des Moines as manufacturing points are logical zone centers.

10. Mr. Armstrong stated that as soon as the filing of all price lists was completed the exchange would be made and the service launched.

11. It was moved by Mr. Warner, and seconded by Mr. Archer, that upon receipt of zone map from the bureau each subscriber shall immediately file prices in each zone as last quoted by him. Further, that each subscriber shall so state where he is not active in any zone and that such quotation report or "price lists" shall by each mailed to the bureau not later than three days after the receipt of the map. Carried.

12. It was the sense of the meeting that these zones may have to be changed from time to time but that this was the most practical method of making a start in the matter of identifying and exchanging market information.

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17. In the round table discussion the matter of terms on the sale of linseed oil was taken up, it being shown that oil represented

"cash" from the producers' standpoint in every stage of its production.

18. Following the discussion it was resolved that it be the sense of the meeting that terms on linseed oil should be changed on all carload sales to sight draft against bill of lading and on less than carload sales to 30 days' trade acceptance beginning November 1st.

19. Mr. Warner suggested that the bureau draft a letter covering a general announcement of the industry to the trade concerning these uniform terms and further pointing out that American business was rapidly approving cash terms and trade acceptances.

1119 [Copy.]

Market Letter No. 20—Official Business of Flaxseed Crushing Industry, October 14, 1918.

MINUTES OF MEETING OF THE FLAXSEED CRUSHERS, SUBSCRIBERS TO THE SERVICE OF THE ARMSTRONG BUREAU OF RELATED INDUSTRIES, HELD ON WEDNESDAY, OCTOBER 9TH, 1918, AT THE CHICAGO ATHLETIC CLUB.

1. Meeting called to order at 10.45 a. m.

* * * * * * *

12. Mr. Daniels asked whether the bureau had been advised by Spencer Kellog & Sons, Inc., regarding a change in their filed prices, stating that he had heard of it from his representatives in Memphis, Cincinnati, and elsewhere but had no advice regarding same from the bureau.

13. The bureau's record showed that a wire from Spencer Kellogg & Sons, Inc., had been received covering this change about noon on Tuesday and information had been cleared at once, by mail, as provided under the plan of operation set forth in the contract.

14. It was the sense of the meeting that all such information should be cleared by the bureau, by wire collect, to all subscribers entitled to receive it, expressed by motion of Mr. Warner, seconded by Mr. Daniels, that any telegraphic price information received by the bureau shall be relayed by wire collect to all subscribers excepting those who file zone exceptions excluding such information.

* * * * * * *

16. Mr. Armstrong carefully outlined details of the information required under the contract, so that subscribers who had been sending in copies or records of all quotations, regardless of their variation from filed prices, were shown to be in error.

17. Mr. Armstrong, for the bureau, cited letters from some subscribers which had been returned because of legal exception taken to them by the bureau, and explained at length the points involved, emphasizing that, in filing any new price, it is unnecessary for any subscriber to incorporate in such filing any reason for such action.

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20. Mr. Armstrong distributed proposed forms for sales reports and they were discussed in detail. Mr. Quine suggested that their branch stations send such reports daily, direct to the bureau. Mr. Nolan suggested, in view of the apparent difficulty in securing accurate totals quickly, that such daily reports be forwarded after 48 hours. Mr. Warner and Mr. Adams also agreed in recognizing this difficulty, but felt that the matter could be worked out. Mr. Nolton suggested a limitation of time for daily reports to 24 hours. Mr. Daniels suggesed an arbitrary hour each day as a closing hour for reports; all succeeding volumes being included in the following day's report. As a means of working out a constructive solution, Mr. Armstrong suggested a continuance of the present method until all angles of the matter could be fully developed. He further suggested the use of half-sized sheets as a measure of paper conservation, which was agreed upon, and said that the bureau would mail to each subscriber three rubber stamps by which various classes of market information transmitted in letter form could be identified as an aid to rapid clearance by the bureau.

1120 21. Mr. Armstrong asked whether the subscribers desired to have daily reports based upon zone classification, and it was the sense of the meeting that the matter should be handled upon this basis.

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26. As a result of these considerations, and as an aid to increasing the value of the service, it was the sense of the meeting that all subscribers shall file their price lists covering all zones by wire, and the bureau shall relay same by wire.

* * * * * * *

42. The subject of market zones was next taken up and a large map showing ten zones as tentatively laid out by the bureau was placed before the meeting.

43. Discussion followed as to the effects of various freight differentials on shipments to the Pacific coast and it was the sense of the meeting that oil for Pacific coast trade be sold on basis of Minneapolis tank car prices with charge on barrel basis on delivered prices.

44. Also, that Minneapolis should be considered as part of zone 1 market in making reports to the bureau.

45. Mr. Armstrong then explained the zones and their boundaries.

46. Mr. Nelson suggested that Sioux Falls, S. D., be included in zone 1. Approved.

47. Mr. Daniels suggested that Louisville, Ky., be included in zone 2. Approved.

48. Mr. Warner suggested that all of West Virginia be included in zone 2. Approved.

49. Mr. Matthews suggested that Pittsburgh and Buffalo be included in zone 2. Approved.

50. Mr. Warner suggested possible advantage of including Norfolk, Jacksonville, Tampa, Savannah, and Atlantic coast towns in zone 3, but discussion showed that such change would probably compel revision to include Galveston and Gulf ports as well, and it was thought best to defer such action until further test showed need of such revision.

51. Mr. Armstrong asked if zone 3, taking out Buffalo and Pittsburgh, was satisfactory, and, as so amended, zone 3 was approved.

Zone 4, without West Virginia and Louisville, Ky., was approved.

Zone 5 approved.

Zone 6, with Sioux Falls, S. D., eliminated, was approved.

Zone 7 approved.

Zone 8 approved.

Zone 9 approved.

Zone 10 approved.

52. It was decided that the bureau issue a special report on these changes and making of new map to be deferred until these zones had been tested out.

53. Mr. Hunter suggested a combination of zones 4 and 5 and the making of a new zone including all Atlantic coast towns, with interior towns to be separated further. He was requested to draft his idea and send to the bureau for distribution following discussion of reasons for such change.

54. The general question of terms of sale was the next subject for consideration. Mr. Nolan explained the difficulties confronting his company in the adoption of trade acceptance as a field policy on less than carload sales. Mr. Quine said that his company faced the same difficulties.

1121 55. Mr. Armstrong asked who of the subscribers had sent out the letter announcing trade acceptances and cash terms submitted by the bureau in accordance with action taken at last meeting.

56. It developed that except Archer Daniels and Wm. Goodrich the subscribers had not sent out the letter in question.

57. Mr. Armstrong emphasized the necessity for the subscribers either to refrain from resolving on action which was then not taken, or to carry out a policy so beneficial to all once its value had been admitted. Replying to Mr. Warner, Mr. Armstrong said that the bureau's position must always be on the side of any and all subscribers who, by carrying out a policy recognized and endorsed by all, had been penalized through the failure of other subscribers from any cause to act as they had voted, and that the value of the bureau's service rests largely upon unvarying and complete support on such lawful and constructive measures.

58. In order to clear up the apparent confusion of understanding and action, Mr. Armstrong asked that each subscriber file his terms with the bureau not later than October 16, 1918.

59. In order to define the recommendations of the meeting the terms to apply on all sales of carloads and less than carloads were,

after long, careful, and detailed discussion, expressed in terms of resolutions adopted unanimously as follows:

60. Motion by Mr. Warner, seconded by Mr. Daniels, and unanimously carried by roll-call vote, that terms on all carload sales after Nov. 1, 1918, be net cash, sight draft against bill of lading, and on all warehouse delivery terms be three cents above carload prices 30 days net, or one cent per gallon discount for cash in 10 days; that notification of such terms be sent by each subscriber to his trade before Nov. 1st.

61. As Mr. Nolan could concur in such terms this action cleared the situation in a manner satisfactory to all.

1122 [Copy.]

Market Letter #102—Official Business of Flaxseed Crushing Industry—November 23, 1918.

MINUTES OF MEETING OF THE FLAXSEED CRUSHERS, SUBSCRIBERS TO THE SERVICE OF THE ARMSTRONG BUREAU OF RELATED INDUSTRIES, HELD ON WEDNESDAY, NOVEMBER 13, 1918, AT THE CHICAGO ATHLETIC CLUB.

1. Meeting called to order at 10.50 a. m.

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11. The matter of revisions in the freight zone map was then taken up as it was evident that changes were in order because of some portions in these zones being greatly affected by water rates.

12. Suggestions for such revisions, as made by two of the subscribers, were set forth by colored lines upon a large map and it was clearly shown that the Southern Atlantic and Gulf Port States, favored by water rates from New York, required additional zoning and Spencer Kellogg's proposed zone four covering this territory was a logical addition.

13. It was further shown that the cities of Richmond and Norfolk, Va., by reason of their nearness to the line of zone three, were logically entitled to a better freight allowance than the other markets located with them in zone four.

14. To cover this situation it was the sense of the meeting that the cities of Richmond and Norfolk were entitled to one cent per gallon differential over the respective prices for zone three.

15. Taking up then the suggested revision for other zones logically determined by careful freight analysis the following recommendations obtained:

16. That zone one as revised should stand approved.

17. That zones four, five, six, seven, and eight as geographically revised should be approved. Also zones two and three as originally drafted.

18. That the following uniform freight allowances for the various zones were fair and proper allowances based upon an analysis of

the average freight rates obtaining for such territory from oil shipping centers, and such allowances should stand recommended and approved by the meeting:

Zone 1, base.	Zone 5, 6¢ over.
" 2, 1¢ over.	" 6, 7¢ "
" 3, 2¢ "	" 7, 8¢ "
" 4, 4¢ "	" 8, 11¢ "

19. A discussion of the Canadian territory then ensued and it was the sense of the meeting that Canada should be identified as zone nine and, because of duties and varied freight rates for that territory it was recommended, that this zone be quoted by the respective subscribers at their various prices on a mill basis, f. o. b. at the point of shipment.

20. As the zoning now determined upon was considered correct for prevailing freight rates it was the sense of the meeting that the same should stand; that any subscriber might propose or make changes in such zones by immediately publishing such action, or suggested action, through the bureau.

* * * * * * *

24. The matter of zone maps for agents was discussed and the bureau was asked to supply each subscriber with a copy of
1123 the revised zone map after which a decision can be made as to the supply for agents.

* * * * * * *

28. The matter of reporting sales was taken up and in order to clear up an apparent lack of uniformity Mr. Armstrong read the following memorandum covering the various elements of this work.

(a) "The bureau's reporting forms are being generally used by subscribers. One, however, does not use the daily sales report on account of lack of space, others whose business calls for greater capacity are using two or three pages as necessary. This works out satisfactorily.

(b) "Some subscribers still report individual quotations at their regular filed prices; these are not called for and cause unnecessary work both in subscriber's office and by the bureau.

(c) "Some subscribers report carload sales at their filed prices by telegraph; the daily carload sales report is all that is necessary in such cases.

(d) "Some subscribers fail to give telegraphic information on special quotations lower than their filed prices—and more fail to give the name and address of customer, f. o. b. point, exact terms, etc., as called for by contract, lines 276 to 305, inclusive, in their confirmation.

(e) "The daily and weekly sales reports already issued by the bureau will show subscribers a lack of uniformity in reporting; only a few give price at which sale is made, some omit the zone, some omit delivery date and almost all omit the terms. From reports received the bureau's statistical department is not sure that all subscribers include all their sales in the weekly report; this report

should give total volume of sales by zones—including the daily carload sales—with separate items segregated from the total, showing sales made at less than subscribers' filed prices, also the price at which the sales were made.

(f) "Some of the earlier sales reports are not yet complete for all subscribers. To clear them the bureau will compile them as they have been received, distributing the information to those only who have made reports. At the present time sales reports are coming through very satisfactorily.

(g) "Only one subscriber reported stock on hand September 30th and only three or four have made this report for October 31st."

29. The chairman took occasion to comment to the meeting on the lack of good business ethics on the part of the various subscribers in the matter of making numerous special quotations and sales at a variance from their regular price lists as published to their trade, and recommended that the subject be given full discussion.

30. The general discussion that followed Mr. Warner's comments crystallized into the following resolution offered by Mr. Hirst, seconded by Mr. Ramsey, and unanimously approved by roll call vote as follows:

Resolved that it be the sense of the meeting that a practice of quoting special prices to preferred buyers by any subscriber who does not then extend similar advantages to his other customers is unfair merchandising and any revision in any subscriber's price list shall be made to at once obtain for his entire trade and shall thus be immediately published by him.

32. A general discussion of the terms as recommended at the last meeting developed a suggestion by Mr. Warner that the bureau inform the authorities at Washington regarding this action, and a suggestion by Mr. Hirst that if possible Mr. Armstrong should appear before the meeting of the Paint Manufacturers' Association at their meeting in New York early in December, in order to place before them the true service value of the reform in unfair terms which the subscribers desire to effect.

33. Mr. Ramsey said that, as Mr. Armstrong expects to be in New York on other business at that time and has an open date on December 3rd, he will avail himself of Mr. Armstrong's presence should it be desirable or necessary for him to so appear and explain the operations of the service to the paint manufacturers.

34. Mr. Armstrong then advised the meeting that he had on November 8th written the following letter to the secretary of the Federal Trade Commission with the object of securing, if possible, an expression from that commission as to whether or no groups of manufacturers might now be permitted to actually agree to institute uniform terms and cash discounts.

1124 35. He pointed out to the meeting that although it was clearly understood by all that no agreements had been entered into by the subscribers on the matter of terms or differentials—recommendations only obtaining in every case—it was quite apparent that

if it might be lawful to actually agree on terms and cash discounts the industry would be greatly benefited and a more uniform measure of service delivered to the trade.

NOVEMBER 8, 1918.

Mr. L. L. BRACKEN,
Secy. Federal Trade Commission,
Washington, D. C.

DEAR MR. BRACKEN: The service contracts which we have consistently filed with you have undoubtedly given you such a clear idea of the operation of our service that I feel you are thoroughly familiar with the same and I, therefore, feel justified in asking you an opinion regarding one feature of merchandising universally unsatisfactory and which I believe the commission will agree should be corrected—the giving of over long terms and un-uniform cash discounts.

The Associated Metal Lath Manufacturers, with offices in Washington under the commissionship of Mr. Zenas W. Carter, represent one group of subscribers to our service and I requested him by wire to-day to see you and learn if it was actually permissible for groups of manufacturers to now adopt uniform terms, as I understand has been the case in your direction of the paper industry.

To date we have only permitted our various groups of subscribers to discuss this matter of terms in their meetings and pass recommendations only—not agreeing to institute the same or otherwise binding themselves—and to this course of procedure there can be no legal exception.

On the other hand, if as in the case of "trade acceptances" now being so generally advocated we could be permitted to an agreement to universally adopt the same it would be, in my judgment, a constructive and public-service measure.

Further, as example when all raw materials entering into the finished product of one industry are spot cash materials it is unfair competition from my point of view for smaller manufacturers in such industry to be penalized by having to meet the 30, 60, or even 90 day terms of their larger competitors.

Especially is this true when those self same larger manufacturers openly admit that there is no business logic in their terms and that such terms are merely a relic of the old days of blind competition.

If you have not already given an expression on this matter to Mr. Carter (who may possibly be out of town) I would appreciate an early reply direct from you, otherwise consider this letter a more complete explanation of the point in question than Mr. Carter may have been able to give, prompted only by my telegraphic request.

Summing up briefly what I want to know is: Can we agree on terms (not prices), or must we continue to be satisfied with general discussions and recommendations on terms (not prices) with no obligations moral or otherwise on any individual to institute such

recommendations, even though each one may have endorsed the same at the meetings at which they were passed?

Thanking you kindly for your prompt consideration and reply, I remain

Very truly,

(Signed) JULIAN ARMSTRONG.

86. Mr. Armstrong advised the meeting further that anticipating a delay on the part of the Federal Trade Commission in reply to his communication of November 8th he telegraphed Mr. Zenas W. Carter, a personal friend and representative at Washington, to call on the commission and endeavor to secure the information embodied in the letter of November 8th.

37. Mr. Carter had immediately carried out the commission and Mr. Armstrong read to the meeting the following extracts 1124½ from Mr. Carter's letter of November 9th, covering his interview at the Federal Trade Commission offices:

"Was unable to see Secretary Bracken, per your telegram, but saw Dr. Francis Walker, the expert economist of the Federal Trade Commission, to whom I was referred on account of the absence of Bracken.

"Dr. Walker says he is confident there would not be any objection on the part of the Department of Justice, to any group of manufacturers or distributors getting together on a policy of uniform terms, such as cash discounts and dates of payment. He stated, however, this is a personal opinion. This is the gist of the nice talk I had with him.

"He referred me to Mr. John Walsh, chief counsel. Walsh said he could see nothing to object to in this, but both he and Dr. Walker stated they knew nothing of any decision given the book paper interests on uniform discounts, except that this subject was covered in the news print and book paper cases merely as part of the price fixing agreement arrived at by the Government."

38. In further discussion of the matter of terms it was moved by Mr. Ramsey, seconded by Mr. Hirst and unanimously carried, that the bureau present the action on terms, as set forth in paragraphs #59 and #60 of the minutes of the meeting held on October 9th, 1918, to the Federal Trade Commission.

1125 PLAINTIFF'S EXHIBIT 17.

[Telegram.]

R4MSM12P. 282. NL.

MS. MPLS., MINN., *Apl. 21 21.*

SAMUEL MAIRS,

La Salle Hotel, Chgo., Ill.

During year nineteen nineteen wired Armstrong Bureau at following intervals after wiring our agents' changes in price: Fourteenth Jany., ten minutes; fifteenth Jany., fifteen minutes; fifth March, ten

minutes; ninth April, five minutes; twenty-fourth April, fifteen minutes; first May, fifteen minutes; sixteenth May, five minutes; twenty-seventh May, eight minutes; third June, five minutes; third June, ten minutes; fifth June, ten minutes; eleventh June, ten minutes; twelfth June, five minutes; fourteenth June, fifteen minutes; seventeenth June, ten minutes; nineteenth June, ten minutes; twenty-third June, twelve minutes; thirtieth June, eight minutes; seventh July, fifteen minutes; eleventh July, eight minutes; fourteenth July, seven minutes; twenty-third July, five minutes; twenty-fifth July, fifteen minutes; fourth August, twenty-five minutes; twentieth August, fifty minutes; twenty-sixth August fifteen minutes; twenty-eighth August, eight minutes; thirtieth August, seven minutes; ninth Sept., ten minutes; thirteenth Sept., twenty minutes; fifteenth Sept., forty minutes; sixteenth Sept., thirteen minutes; eighteenth Sept., ten minutes; twentieth Sept., ten minutes; twenty-fifth Sept., twenty minutes; twenty-sixth Sept., forty-five minutes; thirtieth Sept., ten minutes; thirtieth Sept., forty minutes; first Oct.,
1126 ten minutes; second Oct., night message to agents, wired bureau following morning; third Oct., twenty-five minutes; sixth Oct., fifteen minutes; seventh Oct., fifteen minutes; eighth Oct., ten minutes; ninth Oct., ten minutes; twenty-second Oct., fifteen minutes; twenty-second Oct., fifteen minutes; from seventh November wired the bureau before wiring agents at bureau's request ten minutes; twelfth November, five minutes; twenty-second November, fifteen minutes; twenty-fourth Nov., ten minutes; twenty-ninth November, ten minutes; third Dec., ten minutes; fourth Dec., ten minutes; fifty Dec., fifteen minutes; ninth Dec., fifteen minutes; tenth Dec., fifteenth minutes; sixteenth Dec., fifteen minutes.

ARCHER DANIELS LINS. CO.

1127 DEFENDANT'S EXHIBIT 1.

O'Neil Oil & Paint Co., Milwaukee, Wis.

Linseed mill quotations.

	June.	July.	Aug. & Sep.	Oct., Nov. & Dec.	Nov. to Apl.
Goodrich	1.70	1.70	1.70	1.65 1.60	
Spietz	(1.71) (1.78) 1.83	(1.71) (1.78) 1.83	(1.68) (1.75) 1.83	(1.65) 1.70	
Kellogg	1.74	1.74	1.68	1.60	1.60
Schmitt	(1.74) 1.81	1.74	1.66		
Spietz, 6/13/19	1.86	1.86	1.86		1.76
Goodrich, 6/14	1.78	1.78	1.78		1.70
Do., 6/17	1.83	1.83	1.83		1.70
Stietz, 6/17	1.81	1.81	1.78	1.78	
Kellogg, 6/17	1.86	1.86		Sep., Oct.	
Stietz, 6/20	1.86	1.86	1.86	1.81	
Schmitt, 6/20 p. m	1.89	1.89	1.89		
		Aug.	Sep.		
	1.89	1.89 1.89	1.81		
Schmitt, 6/30	1.96	1.96	1.96	1.96	
Spietz, 6/30	1.93	1.93	1.93	1.93	1.83
		Aug.			
Kellogg, 6/30	1.96	1.96 1.96	(1.88, Sept.)	1.88	1.75

Linseed mill quotations—Continued.

	June.	July.	Aug. & Sep.	Oct. Nov. & Dec.	Nov. to Apl.
				Oct.	
Goodrich, 6/30	1.96	1.96 1.96	1.93	1.93	1.80
Kellogg, 7/1	2.06	2.06	2.06	2.06	1.90
Schmitt, 7/7	2.10	2.10	2.10	2.10	2.00
Stietz, 7/7					Dec. to June.
Kellogg, 7/7	0	0	0	2.00	1.90
Stietz, 7/11	0	2.28	2.28	2.23	2.23
Schmitt, 7/11		2.18	2.18		
Kellogg, 7/11	0	0	0	2.15	2.00
Stietz, 7/15		2.18	2.18		
			Sep., Oct.		
Kellogg, 7/16			2.15		1.95
					Jan. to June.
Midland, 7/24		2.23	2.23		1.96
Stietz, 7/24		2.18	2.18	2.18	
Do		2.23	2.23	2.23	
				Nov., Dec.	Jan.-June.
Schmitt, 8/6				2.10	1.93
				Oct., Nov., Dec.	
Kellogg, 8/8			2.23	2.23 2.10	1.93
				Oct., Nov., Dec.	Jan.-Apl. May-Sept.
Do., 8/20				2.10 2.00	1.93 1.84
			Sept.	Oct., Nov.-Apl.	May-Sept.
Goodrich, 9/8/19			2.10	2.00 1.93	1.84
				Oct., Nov.-Apl.	
Kellogg, 9/15/19			2.10	1.89 1.87	1.84
Spietz, 9/16/19			2.10	1.89	
Goodrich, 9/17/19			2.10	1.84 18.4	

1128 *Linseed oil.*

(C/L.)

	Sept.	Oct.	Nov. to Sept., 1920.	Dec. to Mar.
Goodrich, 9/23/19	2.10	1.84	1.82	
Kellogg, 9/26/19	2.10	1.84	1.70	
Goodrich, 9/30/19		1.84	1.63	
Stietz, 10/1/19		1.84	1.63	1.60
			Nov.	Dec. to Sept.
Kellogg, 10/1/19		1.84	1.63	1.60
Do. 10/3/19		1.84	1.63	1.55
Do. 10/3/19		1.84	1.63	1.50
Stietz, 10/4/19		1.84	1.63	1.49
Goodrich, 10/4/19		1.84	1.63	1.49
Stietz, 10/6/19		1.84	1.63	1.60
				Dec. to May.
Goodrich, 10/8/19		1.70	1.70	1.60
			Nov., Dec.	Dec. to Sept.
Midland, 10/8/19		1.84	1.70	1.59
Kellogg, 10/8/19		1.80	1.70	1.60
			Dec.	Jan.-Sep.
Stietz, 10/9/19		1.70	1.70 1.70	1.59
Goodrich, 10/8/19		1.80	1.70	1.60
				Jany to May.
Stietz, 10/14/19		1.70	1.70 1.70	1.59
				Dec. to Sep.
Goodrich, 10/17/19		1.70	1.70 1.70	1.59
				Jan. Feb.-Sep.
Kellogg, 10/22/19		1.70	1.70 1.70	1.59 1.50
				Jany-Sept.
Goodrich, 10/24		1.70	1.70 1.70	1.50

1129

	Nov.	Dec.	Jany.	Feb.	Mch.	Apl. to Sep.
Goodrich, 11/10/19	1.70	1.70	1.60	1.60	1.60	1.60
Stietz, 11/12/19	1.70	1.70	1.70	1.70	1.70	1.60
Schmitt, 11/12/19	1.70	1.70	1.70	1.70	1.70	1.60
Amer, 11/13/19	1.70	1.70	1.70	1.70	1.70	1.60
Kellogg, 11/14/19	1.70	1.70	1.70	1.70	1.70	1.60
Schmitt, 11/24/19	1.75	1.75	1.75	1.75	1.75	1.60
Stiets, "	1.75	1.75	1.75	1.75	1.75	1.60
						May to Sep.
" 12/1/19		1.85	1.85	1.85	1.85	1.70 1.60
						May to Oct.
" 12/5/19		1.85	1.85	1.85	1.85	1.70 1.60
						Apl.-Sept.
Schmitt, 12/ 6/19		1.78	1.78	1.78	1.78	1.60
Stietz, 12/10/19		1.88	1.75			
						Apr. May to Oct.
Kellogg, 12/10/19		1.85	1.75	1.85	1.85	1.85 1.60
Goodrich, 12/11/19		1.85	1.85	1.85	1.85	1.70 1.60
Stiets, 12/17/19		1.85	1.75	1.75	1.75	1.70 1.60
						May.
Do. 1/30/20						1.70 1.60
						June-Dec.
Kellogg, 2/7/20				1.75	1.75	1.70 1.70 1.60
						June-
						Apl. May. Dec.
Goodrich, 2/26/20				1.75	1.75	1.70 1.60 1.50
A. D. Co., "				1.75	1.75	1.70 1.70 1.60
Kellogg, "						1.60

1130	Feby.	March.	Apr.	May.	June to D.
Goodrich, 2/27/20	1.75	1.75	1.70	1.70	1.60
Kellogg "	"	"	"	"	1.60
					June. July-Dec.
A. D., 3/15/20		1.82	1.82	1.82	1.82 1.72
Schmitt, 3/17/20		1.82	1.82	1.82	1.82 1.77
Goodrich, 3/18/20		1.87	1.87	1.87	1.82 1.77
Stietz, 3/24/20		1.82	1.82	1.82	1.82 1.72
" 3/25/20		1.82	1.82	1.82	1.82 1.64
Goodrich "		1.82	1.82	1.82	1.82 1.72
Kellogg, 3/25/20		1.72	1.72	1.72	1.72 1.62
Schmitt, 3/26/20					1.62
Goodrich, 4/12/20			1.82	1.82	1.82 1.64
Stietz, 4/13/20			1.79	1.79	1.79 1.64
Kellogg, 4/14/20			1.82	1.82	1.82 1.67
" 4/16/20			1.79	1.79	1.79 1.64
" 4/24/20				1.69	1.69 1.62
Schmitt, 4/24/20			1.82	1.82	1.82 1.64
Mann, 4/29/20				1.72	1.72
Smead, 5/1/20				Chgo 1.62	
Goodrich, 5/5/20				1.72	1.72 1.62

1131 C/L; LESS C/L 3¢ MORE.

	May.	June.	July to Dec.
Kellogg, 5/12/20	1.62	1.62	
			Aug.-Dec.
Goodrich, 5/15/20	1.72	1.72	1.62 1.57
Schmitt, 5/21/20, L/C/L	1.85	1.85	
Calvin, 5/26/20	1.72	1.62	1.62
			Sept. to Dec.
Schmitt, 6/7/20		1.72	1.72 1.53
			Aug.-Dec.
Goodrich, 6/10/20		1.72	1.62 1.53
Kellogg, 6/14/20		1.60	1.60 1.45
			Sept. to Apl.
Schmitt, 6/16/20		1.72	1.72 1.45
			Aug.-Dec.
Goodrich, 6/18/20		1.69	1.62 1.45
Do. 6/24/20		1.66	1.57 1.40

C/L; LESS C/L 3¢ MORE—Continued.

	May.	June.	July to Dec.			
Kellogg, 6/25/20			1.40			1.40
Do. 6/29/20			1.35			1.35 Sept. to Apl.
Do. 7/6/20			1.60	Aug. 1.60		1.32 Oct. to Aug.
Schmitt, 7/7/20			1.57	1.57		1.30 Aug.-Dec.
Goodrich, 7/7/20			1.57	1.50		1.35 Nov.-Apl.
Schmitt, 7/8/20			1.57	1.57		1.27 Sept.-Apl.
Kellogg, "			1.60	1.60		1.27 Nov. to Aug.
Schmitt, 7/10/20			1.57	1.57		1.22 Sept.-Apl.
Kellogg, 7/19/20					Sept. 1.35	1.35 1.22

1132 C/L PRICES; LESS C/L 3¢ MORE.

	July.	Aug.	Sept.	Sep.-Apl.
Goodriet, 7/20/20	1.57	1.50	.....	1.22
Kellogg, 7/19/20	.....	1.35	1.35	1.22
Schmitt, 7/16/20	1.57	1.57	.....	1.23 Nov.-Apl. Nov.-Aug.
Do., 7/22/20	1.57	1.57	.....	1.17
Kellogg, 7/26/20	1.60	1.35	1.35	1.17
Schmitt, 7/26/20	1.57	1.57	.....	1.12
Kellogg, 7/27/20	1.60	1.45	1.22	1.17 Oct.-Apl.
A. D. Co., 7/28/20	1.60	1.60	.....	1.12
Goodriet, 7/30/20	1.60	1.60	.....	1.09 Oct.-Aug.
Kellogg, 8/4/20	.....	.....	.....	1.14 Oct., Nov., Dec.
Goodriet, 8/4/20	.....	1.50	1.30	1.15 Oct.-Aug.
Kellogg, 8/6/20	.....	1.45	1.22	1.17 Oct.-Apl.
Goodriet, "	.....	1.50	1.30	1.16 Oct.-Aug.
Schmidt, 8/7/20	.....	.....	.....	1.14 Oct.-Apl.
Stiets, "	.....	1.45	1.27 Oct. 1.20	1.17 Oct.-Apl.
Schmitt, 8/9/20	.....	.....		1.17
Stiets, 8/13/20	.....	1.45	1.22	1.17
Kellogg, 8/30/20	.....	.....	1.22	1.13
Amer., 8/31/20	.....	.....	1.22	1.15

1133 C/L PRICES; LESS C/L 3¢ GALL. MORE.

	Sept.	Oct.	Nov. to Apl.	Jan. to June.
Kellogg, 9/8/20	1.22	1.22	1.15	.....
" 9/14/20	1.22	1.22	1.13	.....
" 9/17/20	1.22	1.22	1.12	.....
" 9/21/20	1.17	1.17	1.12	.....
Midland, 9/24/20	1.22	1.12	1.12	.....
Do., 9/27/20	.....	1.09	1.09	.....
Kellogg, 9/27/20	1.12	1.09	1.09	.....
Midland, 10/4/20	.....	1.07	1.04	1.04
Kellogg, 10/7/20	.....	1.04	1.02	.....
Do., 10/11/20	.....	1.07	1.07	.....
Do., 10/15/20	.....	1.03	1.03	.....
Goodrich, 10/18/20	.....	1.03	1.02	.....

C/L PRICES; LESS C/L 3¢ GALL. MORE—Continued.

	Sept.	Oct.	Nov. to Apl.		Jan. to June
			Nov. & Dec.	Jan.–Apl.	
Midland, 10/21/20		.95	.95	.99	
				Nov.–Apl.	
Kellogg, 10/25/20	Spot L/C/L.	.97		.98	
Amer., 10/28/20		.99		.99	
				Jan. to Apl.	
Goodrich, 10/25/20		.95	.95	.99	
Kellogg, 11/5/20			.94	.95	
Do., 11/8/20			.92	.93	

1134	Nov., Dec.	Jany.–Apl.
A. D. Co., 11/8/20	90	91
Goodrich, 11/9/20	91	91
Northern, "	90	91
Goodrich, 11/10/20	90	90
Do... 11/16/20	85	85
	Dec., Jan.	Jan.–Apl.
Midland, 11/23/20	77	77
	Dec.	Jan.–Apl.
Goodrich, 12/1/20	77	79
Kellogg, 12/3/20	79	80
Do. 12/7/20	83	83
Midland, 12/10/20	83	83
Goodrich, 12/11/20	83	83
Kellogg, 12/14/20	79	79
Goodrich, 12/17/20	79	79
Amer., 12/21/20	77	77
Archer, D., 12/27/20	76	76
Midland, 12/28/20	76	76
Kellogg, 1/3/21	80	80

1135	Jan.	Feb., Apl.	Jan. to Aug.	May-Aug.
Kellogg, 1/28/21	72		72	
Amer., 2/1/21	70		70	
Midl., 2/8/21	66	66	66	
Good., 2/14/21		69	69	
Stietz, 2/14/21		69		71
Midland, 2/23/21		67		
		Mar.–Apl.	May-Aug.	
Kellogg, 3/4/21		66	69	
Stietz, 3/7/21		66	69	
Midland, 3/15/21		65		
Amer., 3/16/21		65		
Goodrich, 4/2/21		63		
		Apl.		
Kellogg, 4/4/21		59		
Goodrich, 4/5/21		59	62	
Schmitt, 4/6/21		57	57	
Kellogg, 4/12/21		55		
		Apr. & May.		
" 4/16/21		59		
Amer., 4/18/21		60		
		Apl.		
Midland, 4/19/21		59		

1136 *Linseed mill quotations 6/3/19.*

	June.		July.		July to Dec.	
	C/L.	L/C/L.	C/L.	L/C/L.	C/L.	L/C/L.
Goodrich.....Raw..	1.68	1.71	1.65	1.68		
Spietz..... " ..	1.68	1.71	1.65			
Kellogg..... " ..	~~1.69~~	1.72	~~1.68~~		~~1.68~~	
	1.74	1.74	1.71	1.71	1.68	

1137 *Thirty-two years of linseed oil prices—The low and high quotations for strictly pure raw linseed oil, in barrels, in carload lots f. o. b. Chicago—Compiled from the statistics of the Paint, Oil, and Chemical Review.*

	January.		February.		March.		April.		May.		June.		July.		August.		September.		October.		November.		December.	
	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.
1889	55	57	56	57 ✓	55	57	55	56 ✓	56	58	58	59 ✓	(60	60)	58	60	56	58	(56	56)	(56	56)	56	57 ✓
1890	57	59	(59	59)	59	60 ✓	(60	60)	(60	60)	(60	60)	(60	60)	(60	60)	58	60	56	60	51	56	48	51
1891	48	52	52	53 ✓	53	54 ✓	(54	54)	49	54	47	49	35	47	35	38	34	38	33	34 ✓	34	35 ✓	32	34
1892	32	33 ✓	33	34 ✓	34	37	37	38 ✓	38	41	(41	41)	(41	41)	(41	41)	41	42 ✓	42	44	44	45 ✓	44	47
1893	(47	47)	(47	47)	47	49	(49	49)	(49	49)	(49	49)	(49	49)	40	49	35	40	35	36 ✓	36	39	39	44
1894	44	48	(48	48)	48	50	45	48	48	50	50	52	(52	52)	52	55	49	52	52	55	(55	55)	(55	55)
1895	54	56	56	57 ✓	(57	57)	(57	57)	(57	57)	58	59 ✓	57	59	42	55	39	40 ✓	(40	40)	(38	38)	(38	38)
1896	(38	38)	36	38	34	35 ✓	34	37	(37	37)	(37	37)	32	34	27	30	(25	25)	29	30 ✓	30	31 ✓	27	29
1897	25	27	(25	25)	27	31	(29	29)	27	28 ✓	24	28	26	28	30	37	32	35	(32	32)	33	35	35	37
1898	39	40 ✓	(40	40)	38	40	37	38 ✓	41	46	37	46	28	36	29	35	30	34	30	33	31	35	35	37
1899	(39	39)	(39	39)	39	41	43	45	43	44 ✓	35	44	32	41	31	35	37	39	38	44	42	45	47	51
1900	51	54	54	55 ✓	54	57	57	61	53	61	(63	63)	63	65	61	65	60	61 ✓	59	72	58	70	55	58
1901	53	60	60	65	59	60 ✓	56	60	(60	60)	60	67	75	80	46	80	40	65	53	60	50	56	46	56
1902	55	60	60	62	(62	62)	61	63	62	63 ✓	62	64 ✓	(64	64)	56	64	45	54	40	45	41	45	43	44 ✓
1903	(44	44)	(42	42)	(42	42)	41	42 ✓	(41	41)	37	41	32	38	32	33 ✓	33	37	32	35	32	33 ✓	(33	33)
1904	(39	39)	(39	39)	(39	39)	36	39	36	37 ✓	(36	36)	36	42	41	42 ✓	37	41	36	37 ✓	36	37 ✓	38	39 ✓
1905	39	40 ✓	39	43	43	44 ✓	43	44 ✓	44	46	(46	46)	46	49	46	50	36	45	35	36 ✓	34	35 ✓	35	39
1906	39	40 ✓	37	40	37	38 ✓	37	38 ✓	36	38	35	26 ✓	34	35 ✓	34	35 ✓	34	35 ✓	34	35 ✓	35	39	38	39 ✓
1907	38	39 ✓	38	39 ✓	38	39 ✓	38	39 ✓	39	40 ✓	(42	42)	39	42	37	39	38	41	41	45	38	41	(38	38)
1908	38	39 ✓	(39	39)	(39	39)	38	39 ✓	38	40	(40	40)	40	41 ✓	41	42 ✓	39	42	38	39 ✓	45	49	45	46 ✓
1909	48	53	(53	53)	(54	54)	54	55 ✓	55	56 ✓	56	58	54	58	48	54	48	50	50	60	(60	60)	61	68
1910	73	77	72	74	74	79	79	83	79	83	70	80	75	88	85	88	89	1.01	88	95	91	95	84	91
1911	86	95	94	95 ✓	89	93	88	90	86	88	82	85	80	81 ✓	79	84	84	90	79	87	64	71	60	68
1912	68	73	64	70	64	70	70	71 ✓	69	74	74	76	64	74	63	66	62	67	48	62	42	47	40	42
1913	40	45	45	47	42	43 ✓	42	45	43	45	42	44	45	47	47	51	46	50	44	47	44	46	46	47 ✓
1914	45	48	47	52	48½	52	49	51	48	50	50	51 ✓	50	60	54	60	45	56	41	42 ✓	39	45	44	47
1915	48	60	54	57	54	63	59	61	63	66	54	64	48	55	47	53	51	57	55	59	58	66	61	67
1916	67	75	72	77	75	78	73	76	64	74	59	65	62	69	68	74	67	71	71	90	90	96	91	96
1917	91	95	91	95	93	1.01	1.01	1.18	1.16	1.25	1.11	1.16	98	1.18	1.17	1.23	1.15	1.20	1.02	1.15	1.03	1.18	1.16	1.21
1918	1.21	1.28	1.28	1.36	1.46	1.55	1.54	1.55 ✓	1.52	1.56	1.55	1.62	1.58	1.90	1.90	1.92	1.90	1.92	1.50	1.81	1.48	1.58	(1.53	1.53)
1919	1.43	1.53	(1.43	1.43)	(1.48	1.48)	1.48	1.56	1.54	1.56	1.64	1.86	1.96	2.23	2.20	2.23	1.92	2.13	(1.70	1.70)	1.70	1.75	(1.75	1.75)
1920	(1.75	1.75)	(1.75	1.75)	1.72	1.82	1.69	1.82	1.69	1.82	1.60	1.72												

Total, in parenthese, 68.
" checked, 74.

DEFENDANT'S EXHIBIT 3.

1138 LETTER TO LARGE OIL BUYERS.

1139 [Armstrong Bureau of Related Industries.]

MAY 13, 1920.

From: Julian Armstrong, Armstrong Bureau of Related Industries.
To: Mr. L. H. Fehsenfeld, General Products Company, Baltimore, Md.
Subject: Co-operation among "sellers" which is of direct service to buyers.

1. In behalf of our clients, the manufacturers of linseed oil—members of the Linseed Crushers' Industrial Council—it is now possible for us to send to you a full and complete explanation of the operations of this service and the co-operative activities of the council.

2. This explanation is accorded through the book "Intelligent Selfishness a Business Builder," a copy of which we are sending to you personally under separate cover.

3. In the minds of progressive business men it is quite evident that if the unsatisfactory conditions which have obtained in the past throughout practically all of our industries are to be corrected we must inaugurate a system of business co-operation soundly based upon a plan which delivers a service alike to buyers, sellers, and to the public.

4. It is unnecessary for us to point out to you that under the old order of things merchandising practices have developed which are against the interests of both buyer and seller, as for instance price discrimination, where a seller makes special preferential prices to one buyer without extending those prices to the rest of his trade.

5. Again, we have instances where blind, destructive competition so depressed prices as to cause manufacturers to sell at cost, and sometimes at less than cost. Naturally, through such an order of things service to the buyer and quality of product are necessarily lost sight of.

6. In all of its operations and its service to various industries, the Armstrong Bureau is carrying on an extensive campaign of publicity whereby its service and the operations of its clients can be clearly presented to their trade and to the public, and we unhesitatingly assure you that in all of these operations there is a concrete and clearly defined service to the public and to the trade, and we believe without that result it would be difficult to prove that co-operation is sound and constructive.

7. It is of record that adverse comments by buyers have been made only where there has been a lack of knowledge or understanding of this co-operative work.

8. The bureau and the Linseed Crushers' Industrial Council will be much interested in your comments upon this matter after you have read the book above referred to. As Mr. Burleson's mail deliv-

ery seems a bit uncertain these days, we shall appreciate your prompt acknowledgment of its receipt upon the post card enclosed for that purpose.

(Signed) JULIAN ARMSTRONG.

Steelcote Mfg. Company, St. Louis, Mo.
J. C. Settle & Company, St. Louis, Mo.
A. O. Wheeler Company, Pittsburg, Kansas.
F. O'Brien Varnish Works, Los Angeles, Calif.
Mechanics Paint Company, St. Louis, Mo.
George A. Johnson Company, Seattle, Wash.
Scrion & Duinn, Los Angeles, Calif.
Burgner-Bowman Lumber Co., Kansas City, Mo.
Peter Vredenburgh Lumber Co., Springfield, Illinois.
J. W. Merriman, Seattle, Wash.
1140–1141 Hirshberg Paint Company, Baltimore, Maryland.
Hanline Brothers, Baltimore, Maryland.
Miller & Graham, Baltimore, Maryland.
Gandy Belting Company, Baltimore, Maryland.
H. B. Davis Company, Baltimore, Maryland.
Hugh Reilly Company, Washington, D. C.
P. A. & S. Small Company, York, Penn'a.
S. M. Bloom & Company, Hagerstown, Maryland.
W. D. Byron & Sons, Inc., Williamsport, Maryland.
W. H. Butler Company, Washington, D. C.
L. H. Friedman, Seattle, Wash.
William Rademacher, Winona, Minn.
Heath & Milligan, Chicago, Illinois.
T. B. McDonald, San Diego, Calif.
McPhee & McGinnity Company, Denver, Colo.
Standard Textile Products Company, Rock Island, Illinois.
Attastic Pt. Mfg. Co., Minneapolis, Minn.
Bennett Glass & Paint Company, Salt Lake City, Utah.
C. H. O'Neil & Sons, Milwaukee, Wis.
Penna Consumers Oil, Council Bluffs, Iowa.
J. I. Porter, Stuttgart, Ark.
Preservative Pt. Company, Seattle, Wash.
J. S. Rogers & Company, Pittsburg, Kansas.
Sillers Varnish Company, Los Angeles, Calif.
St. Paul White Lead & Oil Works, St. Paul, Minn.
Tacoma Paint & Wallpaper Co., Tacoma, Wash.
Brinninstool Company, Los Angeles, Calif.
California Glass & Paint Company, Los Angeles, Calif.
Cook Paint & Varnish Company, Kansas City, Mo.
Farwell, Ozmun Kirk Company, St. Paul, Minn.
Great Western Paint Mfg. Company, Kansas City, Mo.
Hackett Gates Hurty Company, St. Paul, Minn.
Jones-Moore Paint House, San Diego, Calif.
James Butte Company, Houston, Texas.

McMurtry Mfg. Company, Denver, Colo.
Thoma & Son, Fairfield, Iowa.
Nelson Evans Paint Company, Omaha, Nebraska.
T. C. Esser Company, Milwaukee, Wis.
Blish Mize & Silliman, Atchison, Kansas.
Martin-Senour Company, Lincoln, Nebraska.
Patton Paint Company, Milwaukee, Wisc.
National Waterproofing Company, Memphis, Tenn.
Los Angeles Wallpaper & Paint Company, Los Angeles, Calif.
Matthews Paint Company, Los Angeles, Calif.
Northern Hardware Supply Company, Menominee, Wisc.
Noyes Brothers & Cutler, St. Paul, Minn.
Talbert W[illegible]more Co., Los Angeles, Calif.
Fairbanks [illegible]rse & Company, Chicago, Illinois.
Sears Roeb[illegible]k & Company, Chicago, Illinois.
American R[illegible]diator Company, Buffalo, N. Y.
Cataract Refining & Mfg. Company, Buffalo, N. Y.
Henry Boardman, St. Louis, Mo.
A. Andren, Duluth, Minn.
Cont Oil Company, Denver, Colo.
Oakley Paint Company, Los Angeles, Calif.
Simmons Hardware Company, St. Louis, Mo.
Bradley-Wise Paint Company, Los Angeles, Calif.
A. B. Fosseen Company, Yakima, Wash.
W. P. Fuller & Company, San Francisco, Calif.
Rasmussen & Company, Portland, Ore.
Strowbridge Hardware & Paint Co., Portland, Ore.
Whiton Hardware Company, Seattle, Wash.
A. S. Johnson & Company, Tacoma, Wash.
Lion Varnish Company, Seattle, Wash.
Solastic Paint Company, Seattle, Wash.
Sunset Paint Company, Los Angeles, Calif.
Pacific Net & Twine Co., Seattle, Wash.
Bass Heuter Paint Co., San Francisco, Calif.
Pioneer Paint Company, Portland, Ore.
William Curtis Hdwe. Company, Seattle, Wash.
Foster & Klieser, Inc., Seattle, Wash.
Hickox Crampston Paint Co., Tacoma, Wash.

1142 United States of America
vs.
American Linseed Oil Company, et al.

Copies of defendants' Exhibits 5 to 15 introduced in evidence April 22, 1921.

(NOTE.—In order to distinguish the printed matter in these exhibits from other matter filled in, these copies show the printed matter in upper-case characters; other matter filled in, shown in ordinary type.)

1143 DEFENDANT'S EXHIBIT 5.

RR. 10-13 50 BKS. IN TRIP. ORIGINAL.

HIRST & BEGLEY LINSEED COMPANY.

OIL CONTRACT NO. A-327.

Chicago, October 7th, 1919.

SOLD TO Inland White Lead Co., twenty-five thousand gallons (25,000)—of pure RAW LINSEED OIL AT—$1.45—CENTS PER tank wagons GALLON OF 7½ LBS. IN BULK OR—$1.49—CENTS IN BARRELS OF ABOUT 50 GALLONS EACH, F. O. B. their factory, Chicago.

Freight ALLOWED TO

DELIVERY TO BE TAKEN AS FOLLOWS: As wanted from December, 1919, to September, 1920, incl. If taken in wagon lots, deliveries of 68 barrels are to be made within 48 hours.

(In pencil: Refined 3¢ li than boild.)

PAYMENTS TO BE MADE 30 DAYS FROM INVOICE DATE, LESS 1 PER CENT IF PAID IN 10 DAYS.

ACCIDENTS EXCEPTED—CAUSED BY FIRE, DIFFERENCES WITH WORKMEN, OR UNAVOIDABLE—THERE ARE NO OTHER TERMS OR CONDITIONS THAN THOSE STATED HEREIN.

HIRST & BEGLEY LINSEED COMPANY.

Per———————————

Ass't Manager.

ACCEPTED

Signed———————

1144 DEFENDANT'S EXHIBIT 6.

RR 10-13 50 BKS. IN TRIP. ORIGINAL.

HIRST & BEGLEY LINSEED COMPANY.

OIL CONTRACT NO. A-111.

Chicago, March 20th, 1919.

SOLD TO Inland White Lead Co., ten thousand gallons (10,000)—OF PURE RAW LINSEED OIL AT—$1.47—CENTS PER GALLON OF 7½ LBS. IN BULK OR—$1.51—CENTS IN BARRELS OF ABOUT 50 GALLONS EACH, F. O. B. their factory.

FREIGHT ALLOWED TO

DELIVERY TO BE TAKEN AS FOLLOWS: As wanted from March to June 1st, 1919, in about equal monthly quantities.

PAYMENTS TO BE MADE 30 DAYS FROM INVOICE DATE, LESS 1 PER CENT IF PAID IN 10 DAYS.

ACCIDENTS EXCEPTED—CAUSED BY FIRE, DIFFERENCES WITH WORKMEN, OR UNAVOIDABLE—THERE ARE NO OTHER TERMS OR CONDITIONS THAN THOSE STATED HEREIN.

ACCEPTED HIRST & BEGLEY LINSEED COMPANY.

Signed_____ Per_____

1145 DEFENDANT'S EXHIBIT 7.

RR. 10-13 50 BKS. IN TRIP. DUPLICATE.

HIRST & BEGLEY LINSEED COMPANY.

OIL CONTRACT NO. A-285.

(In pencil: 175
50

8750 Chicago, September 20th, 1919.

SOLD TO Inland White Lead Co., One hundred seventy-five barrels (175)—OF PURE RAW LINSEED OIL AT—$1.83—CENTS PER GALLON OF 7½ LBS. IN BULK OR—$1.87—CENTS IN BARRELS OF ABOUT 50 GALLONS EACH, F. O. B. their factory, Chicago.

FREIGHT ALLOWED TO

DELIVERY TO BE TAKEN AS FOLLOWS: As wanted during October, 1919. In the event carlots are delivered (3400 gallons within 48 hours), the above prices to be reduced 3¢ per gallon.

PAYMENTS TO BE MADE 30 DAYS FROM INVOICE DATE, LESS 1 PER CENT IF PAID IN 10 DAYS.

ACCIDENTS EXCEPTED — CAUSED BY FIRE, DIFFERENCES WITH WORKMEN, OR UNAVOIDABLE—THERE ARE NO OTHER TERMS OR CONDITIONS THAN THOSE STATED HEREIN.

ACCEPTED HIRST & BEGLEY LINSEED COMPANY.

(SIGNED) Inland White Lead Co. PER_____

M. A. Richardson, Pres. Ass't Manager.

1146 DEFENDANT'S EXHIBIT 8.

LINSEED OIL CONTRACT.

THE CANADA LINSEED OIL MILLS, LIMITED, LINSEED CRUSHERS, OIL BOILERS AND REFINERS. MILLS AT TORONTO AND MONTREAL.

Toronto, April 2nd, 1919.

Messrs. The Inland White Lead Company,
Chicago, Ill.

We have this day sold you thirty-five BRLS. RAW LINSEED OIL; PRICE $1.46 PER GALLON 7½ lbs.

Thirty-five BRLS. BOILED LINSEED OIL; PRICE $1.49 PER GALLON 7½ lbs.
DELIVERIES: Shipment about the 8th April, 1919.
ROUTE: C. P. Ry., etc., Wabash Railroad delivery.
TERMS RE FREIGHT: Delivered Chicago, Ill.
TERMS OF PAYMENT: NET CASH THIRTY DAYS FROM DATE OF SHIPMENT.
CONDITIONS: NO CANCELING OF ORDER, AND NO CHANGE IN PRICES OR QUANTITY, AS ABOVE SPECIFIED. FIRE, STRIKE, FORCE MAJEURE, OR ACCIDENT IN THE WORKS OR WAREHOUSE OR UNFORESEEN OR UNAVOIDABLE DELAY OR DIFFICULTIES ON TRANSPORTATION LINES, RENDERING SELLER UNABLE TO DELIVER, MAY MAKE THIS CONTRACT INOPERATIVE DURING NECESSARY REPAIRS, REBUILDING, OR CONTINUANCE OF SUCH DIFFICULTIES, PROVIDING THAT IMMEDIATE NOTICE OF SUCH DIFFICULTIES BE GIVEN BY SELLERS.
SELLERS: THE CANADA LINSEED OIL MILLS, LIMITED.

J. M. Ransom,
Asst. Manager.

1147 DEFENDANT'S EXHIBIT 9.

ESTABLISHED 1872. TELEPHONE CENTRAL 2545.

CABLE ADDRESS HAINES, CHICAGO.

E. H. HAINES, L. S. HAINES, PROP. MANUFACTURER'S AGENT PAINTS, OILS, GUMS, NAVAL STORES. 901 ASHLAND BLOCK.

CHICAGO, U. S. A.,
December 3, 1919.

Inland White Lead Company,
741 Boston Ave., Chicago, Ill.

Gentlemen: This will confirm my having sold you for the account of the William O. Goodrich Company 300 barrels linseed oil to be taken approximately equal monthly shipments as called for, April–September delivery, at $1.60 basis raw carloads, $1.63 cooperage, $1.56 tank wagons.

Thanking you on behalf of my company and self for this business, I am,

Yours very truly,

E. H. Haines,
L. S. Haines, Prop.

LSH-FT.

1148 (Copy of Deft. Ex. 9, page 2.)

ESTABLISHED 1872. TELEPHONE CENTRAL 2545.

CABLE ADDRESS HAINES, CHICAGO.

E. H. HAINES, L. S. HAINES, PROP. MANUFACTURER'S AGENT PAINTS, OILS, GUMS, NAVAL STORES. 901 ASHLAND BLOCK.

CHICAGO, U. S. A.,
December 4, 1919.

Inland White Lead Company,
741 Boston Ave., Chicago, Ill.

Gentlemen: Enclosed please find contracts in duplicate from Messrs. William O. Goodrich Company for your kind order of the 3rd inst.

May I ask you to please sign and retain one of these for your own files, returning the other to me at your early convenience. Thanking you for which, I am,

Yours, very truly,

E. H. Haines,
L. S. Haines, Prop.

LSH–FT

1149 DEFENDANT'S EXHIBIT 10.

May 2nd, 1919.

Independent Oil & Supply Co.,
140 West Van Buren Street, Chicago, Illinois.

Gentlemen: We are returning herewith original and triplicate signed contract for linseed oil.

Thanking you for past favors, and trusting our future business relations will be as pleasant as they have in the past, we are

Respectfully, yours,

INLAND WHITE LEAD CO.

_____

President.

MAR:AA

1150 (Copy of Deft. Ex. 10, p. 2.)

ESTABLISHED 1898. MEMBERS CHICAGO ASSOCIATION OF COMMERCE.

TELEPHONE HARRISON 8810.

INDEPENDENT OIL & SUPPLY COMPANY, NOT INC. ACKHOFF & VAIL, PROPRIETORS. EDW. R. DRAKE, ASSOCIATE. COMMISSION. 140 WEST VAN BUREN STREET, CHICAGO.

REPRESENTING MIDLAND LINSEED PRODUCTS CO., LINSEED OIL, CAKE AND MEAL; BIHN & WOLFF CO., LAMP BLACK; GODFREY L. CABOT., CARBON BLACK; ISAAC WINKLER & BRO. CO., ROSIN AND TURPENTINE; J. LEE SMITH & CO., EARTH COLORS; JOHN S. LAMSON & BRO., MANGANESE, ASPHALTUM.

SUPPLIES FOR PAINT GRINDERS, VARNISH MAKERS, SOAP MANUFACTURERS, PACKING HOUSES, FEED MANUFACTURERS, ETC., ETC.

May 1st, 1919.

Inland White Lead Co.,
741 Boston Ave., Chicago, Ill.

Gentlemen: Enclosed please find contract No. 597 between Midland Linseed Products Co. and yourselves.

Please sign all three copies, retaining the duplicate, and returning the original and triplicate to this office.

Your prompt attention will be greatly appreciated.

Yours, very truly,
INDEPENDENT OIL & SUPPLY CO.
Edward R. Drake.

ERD:CK.

1151 (Copy of Deft. Ex. 10, p. 3.)

ESTABLISHED 1898. MEMBERS CHICAGO ASSOCIATION OF COMMERCE.

TELEPHONE HARRISON 8810.

INDEPENDENT OIL & SUPPLY COMPANY, NOT INC. ACKHOFF & VAIL, PROPRIETORS. EDW. R. DRAKE, ASSOCIATE. COMMISSION. 140 WEST VAN BUREN STREET, CHICAGO.

REPRESENTING MIDLAND LINSEED PRODUCTS CO., LINSEED OIL, CAKE AND MEAL; BIHN & WOLFF CO., LAMP BLACK; GODFREY L. CABOT, CARBON BLACK; ISAAC WINKLER & BRO. CO., ROSIN AND TURPENTINE; J. LEE SMITH & CO., EARTH COLORS; JOHN S. LAMSON & BRO., MANGANESE, ASPHALTUM.

SUPPLIES FOR PAINT GRINDERS, VARNISH MAKERS, SOAP MANUFACTURERS, PACKING HOUSES, FEED MANUFACTURERS, ETC., ETC.

April 24th, 1919.
[In pencil: Spat Apr. 23.]

Inland White Lead Co.
847 Boston Ave., Chicago, Ill.

Gentlemen: This letter will confirm the sale made with Mr. Tate over the telephone April 23rd and we have, accordingly, entered

you for two (2) 3,400 gallon deliveries of raw linseed oil in tank wagons @ $1.47 gallon for raw linseed oil in tank wagons.

First 3,400 gallon delivery to start Saturday, April 26th.
Second 3,400 " " " " Wed., April 30th.

Terms: 30—1—10 trade acceptance.

Very truly, yours,

INDEPENDENT OIL & SUPPLY CO.

MLC:CK

1152 DEFENDANT'S EXHIBIT 11.

DUPLICATE.

CONFIRMATION OF SALE.

INDEPENDENT OIL & SUPPLY CO. (NOT INCORPORATED), 140 WEST VAN BUREN STREET, CHICAGO, ILL.

DATE: April 24, 1919.
BUYER: Inland White Lead Co.
SELLER: Midland Linseed Products Co.
MERCHANDISE: Pure old process linseed oil.
QUANTITY: 25,000 gallons.
TIME OF DELIVERY: May-Sept.
PRICE: $144 basis raw in carload tank wagon deliveries within 48 hours, fob. buyers factory.
TERMS: 1% 10 days or 30 days net, trade acceptance.
ROUTING: Buyers option.

The above details have been reported to Minneapolis, where a regulation form of contract will be made out and sent to us for your signature. As soon as the document is received we will send it to you, this memorandum serving in the meantime as a confirmation of the trade.

Thank you very much for the order.

INDEPENDENT OIL & SUPPLY CO.
By Edward R. Drake, Agent.

ACCEPTED:

Buyer.

Seller.

1153 DEFENDANT'S EXHIBIT 12.

DUPLICATE.

CONFIRMATION OF SALE.

INDEPENDENT OIL & SUPPLY CO. (NOT INCORPORATED), 140 WEST VAN BUREN STREET, CHICAGO, ILL.

(In pencil: Spot.)

DATE: April 9, 1919.
BUYER: Inland White Lead Co., Chicago, Ill.
SELLER: Midland Linseed Products Co.
MERCHANDISE: Pure old process linseed oil.
QUANTITY: 3,400 gallons.
TIME OF DELIVERY: Immediate.
PRICE: $1.44 per gal. raw basis in tank wagons f. o. b. buyer's factory Chicago, delivery to be made within 48 hours.
TERMS: 1% cash 10 days, or 30 days net trade acceptance.
ROUTING: Via team.

In pencil: 3400		
	3318–10/15	1242 — 10
Bal. due	81– 5/15	842 — 10
		1233 — 5
		3317 — 25
		1—10/15
		3318–10/15

INDEPENDENT OIL & SUPPLY CO.
By Edward R. Drake, Agent.

ACCEPTED:

Buyer.

Seller.

1154 DEFENDANT'S EXHIBIT 13.

Form 22-1-25-19. Duplicate. No. 322.

MIDLAND LINSEED PRODUCTS COMPANY.

CONTRACT.

Contract, made at Minneapolis, Minn., this 12th day of April, 1919, between Midland Linseed Products Company, of Minneapolis, Minn., hereinafter called the seller, and Inland White Lead Co. of Chicago, Ill., hereinafter called the buyer.

The seller hereby sells and agrees to deliver and the buyer hereby purchases and agrees to receive 7,500 gallons in tank cars, each (7½ pounds in a gallon), of pure linseed oil, for shipment in quantities as follows:

. . . BBLS. JANUARY.	. . . BBLS. MAY.	. . . BBLS. SEPTEMBER.
. . . " FEBRUARY.	. . . " JUNE.	. . . " OCTOBER.
. . . " MARCH.	. . . " JULY.	. . . " NOVEMBER.
. . . " APRIL.	. . . " AUGUST.	. . . " DECEMBER.

Deliveries of this oil must be taken of not less than 3,400 gallons within 48 hours.

For shipment from seller's factory in car lots May–June, 1919.

Raw linseed oil at $1.44 cents per gallon, f. o. b. shipping station, freight allowed to buyer's factory, Chicago, Ill. Special oils at seller's usual differences.

This sale is made on basis of present freight rates. Any increase for account of buyer.

Buyer to furnish specifications for shipment, in writing, to seller's office at Minneapolis, Minn., in ample time to enable the seller to execute order within the period or periods above mentioned. The seller shall, under no circumstances, be in default hereunder in the absence of the giving of such written notice and specifications so as to be received by the seller at its Minneapolis office by the first of the month for any oil due and to be shipped during said month.

In the absence of such specifications, a carrying charge is to accrue of 1¢ per gallon per month, or any part of a month, so long as seller shall be willing to carry same.

Failure to deliver any installment of linseed oil shall not be a breach thereof as to other installments.

Delay of seller caused by fire, differences with workmen or due to causes beyond seller's control excepted.

1155 All deliveries are contingent upon strikes, accidents, and other causes beyond our control. The nonarrival of flax purchased by us, or the acts or demands of the U. S. Government, or any other Government, affecting the operation, production, or output of the seller, shall authorize the cancellation of this contract by the seller in whole or in part at its election.

The seller reserves the right of delivering linseed oil made from foreign grown flaxseed.

No allowance for shortage or damage to be made unless buyer shall furnish acknowledgement from railroad that same occurred in transit.

Seller's weights are to govern settlement.

Buyer agrees to pay invoices within 10 days from date of shipment less a discount of 1 per cent or to give a 30-day trade acceptance for the full amount of such invoices.

In case of default in payment of any installment of purchase money when due, or in case the credit of the buyer becomes unsatis-

factory to the seller, the whole sum owing by the buyer shall become due at once and further deliveries shall be made only for cash.

The whole contract is stated herein.

MIDLAND LINSEED PRODUCTS COMPANY.

By ——— ———,
Secretary.

INLAND WHITE LEAD CO.

1156 DEFENDANT'S EXHIBIT 14.

DUPLICATE.

CONFIRMATION OF SALE.

INDEPENDENT OIL & SUPPLY CO. (NOT INCORPORATED), 140 WEST VAN BUREN STREET, CHICAGO, ILL.

DATE: April 10, 1919.

BUYER: Inland White Lead Co., Chicago.

In Pencil: 524— 8
3393— 5
505—11
507— 7

4929—31

SELLER: Midland Linseed Products Co.

MERCHANDISE: Pure old process linseed oil.

QUANTITY: 7,500 gallons.

TIME OF DELIVERY: May-June, 1919.

PRICE: $1.44 per gallon basis raw in tank wagon, f. o. b. buyer's factory Chicago, to be delivered 3,400 gallons at one time within 48 hours.

TERMS: 1% cash 10 days, or 30 days net trade acceptance.

ROUTING: Via team.

The above details have been reported in Minneapolis where a regulation form of contract will be made out and sent to us for your signature. As soon as the document is received, we will send it to you, this memorandum serving in the meantime as a confirmation of the trade.

Thank you very much for the order.

INDEPENDENT OIL & SUPPLY CO.
BY Edward R. Drake,
Agent.

ACCEPTED:

Buyer.

Seller.

1157 DEFENDANT'S EXHIBIT 15.

RR. 10-13 50 BKS. IN TRIP. DUPLICATE.

HIRST & BEGLEY LINSEED COMPANY.

OIL CONTRACT NO. A-501.

Chicago, November 12th, 1919.

SOLD TO Inland White Lead Co., two hundred barrels (200)—OF PURE RAW LINSEED OIL AT—$1.46—CENTS PER GALLON OF 7-½ LBS. IN BULK OR—$1.50—CENTS IN BARRELS OF ABOUT 50 GALLONS EACH, F. O. B. their factory, Chicago.

FREIGHT ALLOWED TO

DELIVERY TO BE TAKEN AS FOLLOWS: As wanted in about equal monthly quantities from April to September, 1920; deliveries to be taken in lots of 68 barrels within 48 hours.

PAYMENTS TO BE MADE 30 DAYS FROM INVOICE DATE, LESS 1 PER CENT IF PAID IN 10 DAYS.

ACCIDENTS EXCEPTED—CAUSED BY FIRE, DIFFERENCES WITH WORKMEN, OR UNAVOIDABLE—THERE ARE NO OTHER TERMS OR CONDITIONS THAN THOSE STATED HEREIN.

HIRST & BEGLEY LINSEED COMPANY.

PER _____

Ass't Manager.

ACCEPTED:

SIGNED _____

1159 DEFENDANT'S EXHIBIT 16.

Month.	1918		1919		1920	
	Low.	High.	Low.	High.	Low.	High.
October	3.32	3.83½	3.97½	4.59	.....	.....
November	3.63½	3.90½	4.44½	5.10½	.....	.....
December	3.49½	3.67½	5.01½	5.51	.....	.....
January	.....	.....	3.35½	3.53½	4.69½	5.45½
February	.....	.....	3.24½	3.73	4.53	5.36
March	.....	.....	3.68½	3.88	5.13	5.22
April	.....	.....	3.60	4.09½	4.45	4.72
May	.....	.....	3.97	4.33½	4.39	4.41
June	.....	.....	4.30½	5.87½	4.09	4.18

Mr. WALSH. That is all.

The COURT. Come in at two o'clock, gentlemen.

Whereupon an adjournment was taken to two o'clock p. m. of April 22, 1921.

1160 DEFENDANT'S EXHIBIT 17.

Quotations for raw oil carlots in cooperage, Zone 1, inactive periods.

Period August 26th–September 2nd, 1919, $2.10.

Subscribers #1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, and 14 made quotations of $2.10 at various times between August 26th and 31st for September delivery. The day and hour are shown on tabulation of telegraphic quotations.

Subscriber #11 quoted $2.10 on September 2nd.

Period September 16th–September 30th, 1919, $1.84.

Subscribers #1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 14 quoted $1.84 future for October at various times between September 16th and September 30th. The day and hour are shown on the tabulation of telegraphic quotations.

Period November 24th–December 22nd, 1919, $1.75.

Subscribers #1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 14 quoted $1.75 future for January at various times between November 24th and December 22nd. The day and hour are shown on the tabulation of telegraphic quotations.

1161 NOV. 25-29—$1.53.

Date.	"Telegram filed."	American.	Ankeney.	Archer-Daniels.	Goodrich.	Hirst & Begley.	Midland.	Minnesota.	National.	Northern.	Red Wing.	Sherwin-Williams.	Spencer-Kellogg.	Mann Bros.
1918.														
Nov. 25		1.58	1.61	1.58	1.58	1.58	1.58	1.58	1.61	1.58	1.58	1.40	1.58	1.58
"	3.00 p.m.	"	"	"	"	"	"	"	"	"	"	"	"	1.53
26		"	"	"	"	"	"	"	"	"	"	"	"	"
"	9.23 a.m.	"	"	"	"	"	1.53	"	"	"	"	"	"	"
"	10.00 a.m.	"	"	1.53	"	"	"	"	"	"	"	"	"	"
"	*11.07 a.m.	"	"	"	"	1.53	"	"	"	"	"	"	"	"
"	11.17 a.m.	"	"	"	"	"	"	"	"	1.53	"	"	"	"
"	11.39 a.m.	"	"	"	"	"	"	"	"	"	1.53	"	"	"
"	12.06 p.m.	"	"	"	"	"	"	1.53	"	"	"	"	"	"
"	12.09 p.m.	"	"	"	1.53	"	"	"	"	"	"	"	"	"
"	12.42 p.m.	"	1.53	"	"	"	"	"	"	"	"	"	"	"
"	3.20 p.m.	1.53	"	"	"	"	"	"	"	"	"	"	"	"
27		"	"	"	"	"	"	"	"	"	"	"	"	"
"	3.21 p.m.	"	"	"	"	"	"	"	1.58	"	"	"	"	"
28		"	"	"	"	"	"	"	"	"	"	"	"	"
"	9.31 p.m.	"	"	"	"	"	"	"	1.53	"	"	"	"	"

JAN. 14-15-16—$1.48-1.43.

1919.														
Jan. 14		1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.49	1.53	.....
"	4.16 p. m..	"	"	1.48	"	"	"	"	"	"	"	"	"	.....
"	4.18 p. m..	"	"	"	"	"	1.48	"	"	"	"	"	"	.....
15	.....	"	"	"	"	"	"	"	"	"	"	"	"	.....
"	9.49 a. m..	"	"	"	"	"	"	"	"	1.48	"	"	"	.....
"	10.05 a. m.	"	"	"	"	"	"	"	"	"	1.48	"	"	.....
"	10.08 a. m.	"	"	"	"	"	"	"	"	"	"	"	1.43	.....
"	10.11 a. m.	"	"	"	"	"	"	1.48	"	"	"	"	"	.....
"	10.16 a. m.	"	"	"	1.48	"	"	"	"	"	"	"	"	.....
"	11.00 a. m.	"	"	"	"	"	1.43	"	"	"	"	"	"	.....
"	11.43 a. m.	"	"	"	"	"	"	"	1.48	"	"	"	"	.....
"	11.45 a. m.	"	"	1.43	"	"	"	"	"	"	"	"	"	.....
"	12.06 p. m.	"	"	"	"	"	"	"	"	1.43	"	"	"	.....
"	12.15 p. m.	1.48	"	"	"	"	"	"	"	"	"	"	"	.....
"	1.28 p. m..	1.43	"	"	"	"	"	"	"	"	"	"	"	.....
"	3.00 p. m..	"	"	"	1.43	"	"	"	"	"	"	"	"	.....
"	3.18 p. m..	"	"	"	"	"	"	1.43	"	"	"	"	"	.....
"	3.53 p. m..	"	"	"	"	"	"	"	"	"	1.43	"	"	.....
"	4.09 p. m..	"	1.48	"	"	"	"	"	"	"	"	"	"	.....
"	*4.49 p. m..	"	"	"	"	1.43	"	"	"	"	"	"	"	.....
"	5.51 p. m..	"	"	"	"	"	"	"	1.43	"	"	"	"	.....
16	Letter.....	"	1.43	"	"	"	"	"	"	"	"	"	"	.....
17	.....	"	"	"	"	"	"	"	"	"	"	"	"	.....
"	Letter.....	"	"	"	"	"	"	"	"	"	"	1.43	"	.....

* Telephone.

1162 PERIOD, MARCH 5-6—$1.48.

Date.	"Telegram filed."	American.	Ankeney.	Archer-Daniels.	Goodrich.	Hirst & Begley.	Midland.	Minnesota.	National.	Northern.	Red Wing.	Sherwin-Williams.	Spencer-Kellogg.
1919													
Mar. 5	.....	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.42
"	12.50 p. m.....	"	"	"	"	"	1.48	"	"	"	"	"	"
"	1.00 p. m.....	"	"	1.48	"	"	"	"	"	"	"	"	"
"	3.20 p. m.....	"	"	"	1.48	"	"	"	"	"	"	"	"
"	5.04 p. m.....	"	"	"	"	"	"	"	"	"	1.48	"	"
"	5.06 p. m.....	"	1.48	"	"	"	"	"	"	"	"	"	"
6	.....	"	"	"	"	"	"	"	"	"	"	"	"
"	9.33 a. m.....	"	"	"	"	"	"	"	"	"	"	1.48	"
"	11.37 a. m.....	"	"	"	"	"	"	"	"	"	"	"	1.48
"	12.00 noon.....	"	"	"	"	"	"	"	1.48	"	"	"	"
"	12.05 p. m.....	"	"	"	"	"	"	1.48	"	"	"	"	"
"	12.10 p. m.....	1.48	"	"	"	"	"	"	"	"	"	"	"
"	*1.50 p. m.....	"	"	"	"	1.48	"	"	"	"	"	"	"
"	3.26 p. m.....	"	"	"	"	"	"	"	"	1.48	"	"	"

PERIOD APRIL 9-10—$1.51.

Date.	"Telegram filed."	American.	Ankeney.	Archer-Daniels.	Goodrich.	Hirst & Begley.	Midland.	Minnesota.	National.	Northern.	Red Wing.	Sherwin-Williams.	Spencer-Kellogg.
1919													
Apr. 9	.....	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
"	10.08 a. m.....	"	"	"	"	"	"	"	"	"	"	"	1.51
"	2.43 p. m.....	"	"	1.51	"	"	"	"	"	"	"	"	"
"	3.55 p. m.....	1.51	"	"	"	"	"	"	"	"	"	"	"
"	4.55 p. m.....	"	"	"	1.51	"	"	"	"	"	"	"	"
"	8.20 p. m.....	"	1.51	"	"	"	"	"	"	"	"	"	"
"	Night letter.....	"	"	"	"	"	"	"	"	"	1.51	"	"
10	.....	"	"	"	"	"	"	"	"	"	"	"	"
"	10.03 a. m.....	"	"	"	"	"	1.51	"	"	"	"	"	"
"	10.40 a. m.....	"	"	"	"	"	"	"	"	1.51	"	"	"
"	10.47 a. m.....	"	"	"	"	"	"	1.51	"	"	"	"	"
"	*2.13 p. m.....	"	"	"	"	1.51	"	"	"	"	"	"	"
"	5.00 p. m.....	"	"	"	"	"	"	"	1.51	"	"	"	"
"	9.11 p. m.....	"	"	"	"	"	"	"	"	"	"	1.51	"

*Telephone.

1163 PERIOD APRIL 23-24-25-26-28—$1.56.

1919													
pr. 23		1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51
"	3.48 p. m.	1.56	"	"	"	"	"	"	"	"	"	"	"
24		"	"	"	"	"	"	"	"	"	"	"	"
"	11.00 a. m.	"	"	1.56	"	"	"	"	"	"	"	"	"
"	2.56 p. m.	"	"	"	"	"	1.56	"	"	"	"	"	"
"	5.10 p. m.	"	"	"	"	"	"	"	"	"	1.56	"	"
"	*5.30 p. m.	"	"	"	"	1.56	"	"	"	"	"	"	"
25		"	"	"	"	"	"	"	"	"	"	"	"
"	9.48 a. m.	"	"	"	"	"	"	"	"	1.56	"	"	"
"	10.00 a. m.	"	"	"	"	"	"	"	"	"	1.56	"	"
"	11.35 a. m.	"	"	"	"	"	"	"	"	"	"	"	1.56
"	4.08 p. m.	"	1.56	"	"	"	"	"	"	"	"	"	"
"	6.30 p. m.	"	"	"	1.56	"	"	"	"	"	"	"	"
26		"	"	"	"	"	"	"	"	"	"	"	"
"	10.00 a. m.	"	"	"	"	"	"	1.76	"	"	"	"	"
28		"	"	"	"	"	"	"	"	"	"	"	"
"	10.24 a. m.	"	"	"	"	"	"	"	"	"	"	1.56	"

PERIOD JUNE 12-26—$1.86.

Date.	"Telegram filed."	American.	Ankeney.	Archer-Daniels.	Goodrich.	Hirst & Begley.	Midland.	Minnesota.	National.	Northern.	Red Wing.	Sherwin-Williams.	Spencer-Kellogg.	Mann Bros.
1919														
June 12		1.78	1.75	1.78	1.75	1.71	1.78	1.78	1.71	1.78	1.71	1.71	1.71	1.71
"	3.45 p. m.	1.86	1.78	1.83	"	1.78	1.83	"	1.78	"	1.78	"	1.81	1.81
13		"	1.83	"	1.78	"	"	1.83	"	1.83	1.83	1.83	"	"
14		"	"	1.81	1.83	1.83	"	"	"	"	"	"	"	"
16		"	"	"	"	"	"	"	1.85	"	"	"	1.83	"
17		"	"	"	"	1.81	"	"	"	"	"	"	"	"
19		"	"	"	"	"	"	"	"	"	"	"	"	"
"	Nt. letter.	"	"	1.86	"	"	"	"	"	"	"	"	"	"
20		"	"	"	"	"	"	"	"	"	"	"	"	"
"	9.31 a. m.	"	"	"	"	"	1.86	"	"	"	"	"	"	"
"	12.06 p. m.	"	1.86	"	"	"	"	"	"	"	"	"	"	"
"	12.12 p. m.	"	"	"	"	"	"	"	"	1.86	"	"	"	"
"	2.50 p. m.	"	"	"	"	"	"	"	"	"	"	"	"	1.86
"	3.30 p. m.	"	"	"	"	"	"	1.86	"	"	"	"	"	"
21		"	"	"	"	1.83	"	"	"	"	"	"	"	"
"	*9.48 a. m.	"	"	"	"	"	"	"	"	"	1.86	"	"	"
23		"	"	"	"	"	"	"	"	"	"	"	"	"
"	9.35 a. m.	"	"	"	"	"	"	"	"	"	"	"	1.86	"
"	1.50 p. m.	"	"	"	"	"	"	"	"	"	"	1.86	"	"
	Nt. letter.	"	"	"	"	"	"	"	1.86	"	"	"	"	"
24		"	"	"	"	"	"	"	"	"	"	"	"	"
"	3.28 p. m.	"	"	"	1.86	"	"	"	"	"	"	"	"	"
26		"	"	"	"	"	"	"	"	"	"	"	"	"
"	*11.35 a. m.	"	"	"	"	1.86	"	"	"	"	"	"	"	"

*Telephone.

1164 PERIOD JUNE 28-JULY 2ND—$1.93.

1919														
June 28		1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86
"	12.20 p. m.	1.93	"	"	"	"	"	"	"	"	"	"	"	"
30		"	"	"	"	"	"	"	"	"	"	"	"	"
"	11.06 a. m.	"	"	****	"	"	"	"	"	"	"	"	"	"
"	11.10 a. m.	"	1.90	"	"	"	"	"	"	"	"	"	"	"
"	12.10 p. m.	"	"	"	"	"	"	"	"	****	"	"	"	"
"	2.00 p. m.	"	"	"	"	"	"	"	"	"	"	"	1.93	"
"	3.20 p. m.	"	"	"	"	"	"	"	"	"	"	"	"	****
"	4.15 p. m.	"	1.93	"	"	"	"	"	"	"	"	"	"	"
"	*4.25 p. m.	"	"	"	"	****	"	"	"	"	"	"	"	"
"	4.30 p. m.	"	"	"	"	"	"	"	"	"	1.93	"	"	"
"	P. m.	"	"	"	"	"	****	"	"	"	"	"	"	"
"	6.57 p. m.	"	"	"	"	"	"	"	****	"	"	"	"	"
July 1		1.93	1.93	1.93	"	1.93	1.93	"	1.93	1.93	"	"	"	1.93
"	10.12 a. m.	"	"	"	"	"	"	"	"	"	"	19.3	"	"
"	4.34 p. m.	"	"	"	"	"	"	19.3	"	"	"	"	"	"
2		"	"	"	"	"	"	"	"	"	"	"	"	"
"	1.44 p. m.	"	"	"	1.93	"	"	"	"	"	"	"	"	"

*Telephone. **Future.

1165 PERIOD JULY 7-10—$2.10; JULY 10-15—$2.15.

1919.														
July 7		1.93	2.00	1.93	1.93	1.93	1.93	1.93	1.93	1.93	2.00	1.93	1.93	1.93
"	11.55 a. m.	2.10	"	"	"	"	"	"	"	"	"	"	"	"
"	12.10 p. m.	"	"	2.10	"	"	"	"	"	"	"	"	"	"
"	5.29 p. m.	"	2.10	"	"	"	"	"	"	"	"	"	"	"
"	Nt. letter.	"	"	"	"	"	2.03	"	2.10	"	"	"	2.00	"
8		"	"	"	"	"	"	"	"	2.10	"	"	"	"
"	11.00 a. m.	"	"	"	"	"	"	"	"	"	2.10	"	"	"
"	11.20 a. m.	"	"	"	"	"	"	"	"	"	"	"	"	"
"	12.32 p. m.	"	"	"	2.10	"	"	"	"	"	"	"	"	"
"	1.25 p. m.	"	"	"	"	"	"	2.10	"	"	"	"	"	"
"	*2.20 p. m.	"	"	"	"	2.10	"	"	"	"	"	"	"	2.00
"	3.48 p. m.	"	"	"	"	"	"	"	"	"	"	"	"	2.10
9		"	"	"	"	"	"	"	"	"	"	2.10	"	"
"	10.19 a. m.	"	"	"	"	"	"	"	"	"	"	"	"	"
"	4.11 p. m.	"	"	"	"	"	2.10	"	"	"	"	"	"	"
10		"	2.20	"	"	"	"	"	"	"	"	"	2.10	"
"	3.56 p. m.	"	"	"	"	"	2.15	"	"	"	"	"	"	"
11		"	"	2.25	2.25	2.16	"	"	"	"	"	"	2.15	"
"	4.00 p. m.	"	"	"	"	"	"	"	2.15	"	"	"	"	"
"	5.12 p. m.	"	"	"	"	"	"	"	"	"	"	"	"	"
"	9.22 p. m.	2.15	"	"	"	"	"	"	"	"	"	"	"	"
12		"	"	"	"	"	"	"	"	"	"	"	"	2.15
"	10.30 a. m.	"	"	"	"	"	"	"	"	"	"	"	"	"
"	2.53 p. m.	"	"	"	"	"	"	"	"	"	2.15	"	"	"
"	6.51 p. m.	"	2.15	"	"	"	"	"	"	"	"	"	"	"
14		"	"	"	"	"	"	"	"	"	"	"	"	2.25
"	11.17 a. m.	"	"	"	"	"	"	"	"	"	"	"	"	"
"	11.20 a. m.	"	"	2.15	"	"	"	"	"	"	"	"	"	"
"	11.26 a. m.	"	"	"	"	"	"	2.15	"	"	"	"	"	"
"	11.53 a. m.	"	"	"	"	"	"	"	"	2.15	"	"	"	"
15		"	"	"	"	"	"	"	"	"	"	"	"	2.15
"	10.50 a. m.	"	"	"	"	"	"	"	"	"	"	"	"	"
"	4.11 p. m.	"	"	"	2.15	"	"	"	"	"	"	"	"	"
"	*4.30 p. m.	"	"	"	"	2.15	"	"	"	"	"	"	"	"
"	9.40 p. m.	"	"	"	"	"	"	"	"	"	"	2.15	"	"

* Telephone.

1166 PERIOD JULY 24-31, 1919—$2.20.

1919.														
Date 24		2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15
July "	5.40 p. m.	"	"	"	"	"	2.20	"	"	"	"	"	"	"
25		"	"	"	"	*2.18	"	"	"	"	"	"	"	"
"	{10.55 a.m.—Rec.	"	"	"	2.20	"	"	"	"	"	"	"	"	"
"	11.25 a. m.	"	"	2.20	"	"	"	"	"	"	"	"	"	"
"	1.48 p. m.	"	"	"	"	"	"	"	"	"	2.20	"	"	"
"	3.26 p. m.	2.20	"	"	"	"	"	"	"	"	"	"	"	"
"	4.25 p. m.	"	2.20	"	"	"	"	"	"	"	"	"	"	"
26		"	"	"	"	"	"	"	"	"	"	"	"	"
"	10.55 a. m.	"	"	"	"	"	"	2.20	"	"	"	"	"	"
"	11.13 a. m.	"	"	"	"	"	"	"	"	2.20	"	"	"	"
28		"	"	"	"	"	"	"	"	"	"	2.20	"	"
"	11.43 a. m.	"	"	"	"	"	"	"	2.20	"	"	"	"	"
"	3.40 p. m.	"	"	"	"	"	"	"	"	"	"	"	2.20	"
29	4.00 p. m.	"	"	"	"	"	"	"	"	"	"	"	"	**
30	1.48 p. m.	"	"	"	"	"	"	"	"	"	"	"	"	"
31		"	"	"	"	*2.20	"	"	"	"	"	"	"	"
"	1.35 p. m.	"	"	"	"	"	"	"	"	"	"	"	"	2.20
Aug. 1														

* Telephone. ** Future for August.

1167 PERIOD OCT. 6-17, 1919—$1.70.

1919.															
Oct. 6	.....	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	
"	11.16 a. m.	1.70	"	"	"	"	"	"	"	"	"	"	"	"	
"	4.19 p. m..	"	"	"	"	"	1.70	"	"	"	"	"	"	"	
"	4.35 p. m..	"	"	"	"	"	"	1.70	"	"	"	"	"	"	
"	4.43 p. m..	"	"	1.70	"	"	"	"	"	"	"	"	"	"	
"	6.26 p. m..	"	"	"	"	"	"	"	1.70	"	"	"	"	"	
7	.....	"	"	"	"	"	"	"	"	"	"	"	"	"	
"	11.41 a. m.	"	"	"	"	"	"	"	"	"	"	"	1.70	"	
"	3.26 p. m..	"	"	"	"	"	"	"	"	1.70	"	"	"	"	
"	*3.30 p. m.	"	"	"	"	1.70	"	"	"	"	"	"	"	"	
"	4.41 p. m..	"	"	"	"	"	"	"	"	"	"	"	"	1.70	
"	5.05 p. m..	"	"	"	1.70	"	"	"	"	"	"	"	"	"	
8	.....	"	"	"	"	"	"	"	"	"	"	"	"	"	
"	9.50 a. m..	"	"	"	"	"	"	"	"	"	"	"	1.80	"	
"	10.10 a. m.	"	"	"	"	"	"	"	"	"	1.70	"	"	"	
"	11.24 a. m.	"	"	1.80	"	"	"	"	"	"	"	"	"	"	
"	12.51 p. m.	"	"	"	"	"	"	"	"	"	"	1.70	"	"	
"	2.35 p. m..	"	"	"	"	"	"	"	"	"	1.80	"	"	"	
"	*2.58 p. m.	"	"	"	"	1.80	"	"	"	"	"	"	"	"	
"	4.27 p. m..	"	"	"	"	"	"	"	"	"	"	"	"	1.80	
"	12.15 p. m.	"	1.80	"	1.80	"	"	"	"	"	"	"	"	"	
9	.....	"	"	"	"	"	"	"	"	"	"	"	"	"	
"	10.23 a. m.	1.80	"	"	"	"	"	"	"	"	"	"	"	"	
"	10.33 a. m.	"	"	1.70	"	"	"	"	"	"	"	"	"	"	
13	.....	"	"	"	"	"	"	"	"	"	"	"	"	"	
"	.....	"	"	"	"	"	"	"	1.80	"	"	"	"	"	
"	3.30 p. m..	"	1.70	"	"	"	"	"	"	"	"	"	"	"	
14	.....	"	"	"	"	"	"	"	"	"	"	"	"	"	
"	*10.30 a. m.	"	"	"	"	1.70	"	"	"	"	"	"	"	"	
"	2.45 p. m..	"	"	"	"	"	"	"	"	"	"	"	"	1.70	
15	.....	"	"	"	"	"	"	"	"	"	"	"	"	"	
"	3.40 p. m..	1.70	"	"	"	"	"	"	"	"	"	"	"	"	
"	4.47 p. m..	"	"	"	"	"	"	"	1.70	"	"	"	"	"	
"	(Night message.)	"	"	"	"	"	"	"	"	"	1.70	"	"	"	
16	.....	"	"	"	"	"	"	"	"	"	"	"	"	"	
"	9.00 a. m..	"	"	"	"	"	"	"	"	"	"	"	1.70	"	
17	.....	"	"	"	"	"	"	"	"	"	"	"	"	"	
"	10.36 a. m.	"	"	"	1.70	"	"	"	"	"	"	"	"	"	

*Telephone.

1168 PERIOD NOV. 22-28, 1919—$1.75.

Date.	Quoted.	American.	Ankeney.	Archer-Daniels.	Goodrich.	Hirst & Begley.	Midland.	Minnesota.	National.	Northern.	Red Wing.	Sherwin-Williams.	Spencer-Kellogg.	Mann Bros.
1919.														
Nov. 22	.....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
"	5.00 p. m..	"	"	1.75	"	"	"	"	"	"	"	"	"	"
24	.....	"	"	"	"	"	"	"	"	"	"	"	"	"
"	9.20 a. m..	"	"	"	"	"	1.75	"	"	"	"	"	"	"
"	10.00 a. m.	"	"	"	"	"	"	"	"	1.75	"	"	"	"
"	11.45 a. m.	"	1.75	"	"	"	"	"	"	"	"	"	"	"
"	11.55 a. m.	"	"	"	"	"	"	"	"	"	"	"	1.75	"
"	1.20 p. m..	"	"	"	"	"	"	"	"	"	1.75	"	"	"
"	2.33 p. m..	1.75	"	"	"	"	"	"	"	"	"	"	"	"
"	*4.00 p. m.	"	"	"	"	1.75	"	"	"	"	"	"	"	"
"	4.00 p. m..	"	"	"	"	"	"	"	1.75	"	"	"	"	"
"	4.15 p. m..	"	"	"	"	"	"	"	"	"	"	1.75	"	"
25	.....	"	"	"	"	"	"	"	"	"	"	"	"	"
"	9.40 a. m..	"	"	"	"	"	"	1.75	"	"	"	"	"	"
26	.....	"	"	"	"	"	"	"	"	"	"	"	"	"
"	10.50 a. m.	"	"	"	"	"	"	"	"	"	"	"	"	1.75
28	.....	"	"	"	"	"	"	"	"	"	"	"	"	"
"	9.15 a. m..	"	"	"	1.75	"	"	"	"	"	"	"	"	"

PERIOD NOV. 29-DEC. 11, 1919—$1.85.

1919.															
Nov. 29		1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
"	6.00 p. m.	"	"	1.85	"	"	"	"	"	"	"	"	"	"	"
Dec. 2		"	"	"	"	"	"	"	"	"	"	"	"	"	"
"	1.45 p. m.	1.85	"	"	"	"	"	"	"	"	"	1.85	"	"	"
"	5.00 p. m.	"	"	"	"	"	"	"	"	"	"	"	"	"	"
3		"	"	"	1.85	"	"	"	"	"	"	"	"	"	"
"	3.25 p. m.	"	"	"	"	"	"	"	"	"	"	"	"	"	"
4		"	1.85	"	"	"	"	"	1.85	"	18.5	"	"	"	"
"	11.15 a. m.	"	"	"	"	"	"	"	"	"	"	"	"	"	"
"	3.50 p. m.	"	"	"	"	"	"	"	"	"	"	"	"	1.85	"
"	4.00 p. m.	"	"	"	"	"	"	"	"	"	"	"	"	"	"
8		"	"	"	"	"	"	"	"	"	"	"	"	"	1.85
"	4.15 p. m.	"	"	"	"	"	"	"	"	"	"	"	"	"	"
9		"	"	"	"	"	"	"	"	"	"	"	"	"	"
"	11.30 a. m.	"	"	"	"	"	1.85	"	"	"	"	"	"	"	1.85
"	12.30 p. m.	"	"	"	"	"	"	"	"	"	"	"	"	"	"
10		"	"	"	"	"	"	"	"	"	"	"	1.85	"	"
"	8.45 a. m.	"	"	"	"	"	"	"	"	"	"	"	"	"	"
"	2.15 p. m.	"	"	"	"	"	"	"	"	1.85	"	"	"	"	"
11		"	"	"	"	"	"	"	"	"	"	"	"	"	"
"	*9.30 a. m.	"	"	"	"	1.85	"	"	"	"	"	"	"	"	"

* Telephone.

1169

PERIOD MAR. 8-APR. 6, 1920—$1.82.

1920.															
Mar. 8		1.77	1.77	1.77	1.77	1.75	1.77	1.77	1.75	1.77	1.77	1.75	.....	1.75
"	3.50 p. m.	"	"	1.82	1.80	"	"	"	1.77	"	"	1.77	.....	"
"		"	"	"	"	"	"	"	"	1.82	"	"	.....	"
"	10.15 a. m.	"	"	"	"	"	1.82	"	"	"	"	"	.....	"
"	10.30 a. m.	"	"	"	1.82	"	"	"	"	"	"	"	.....	"
"	11.10 a. m.	"	1.82	"	"	"	"	"	"	"	"	"	.....	"
"	12.08 p. m.	1.82	"	"	"	"	"	1.82	"	"	"	"	.....	"
"	2.45 p. m.	"	"	"	"	"	"	"	"	"	"	"	.....	1.82
"	3.55 p. m.	"	"	"	"	"	"	"	"	"	1.82	"	.....	"
"	4.01 p. m.	"	"	"	"	"	"	"	"	"	"	"	.....	"
"	5.00 p. m.	"	"	"	"	"	"	"	"	"	"	1.82	.....	"
10		"	"	"	"	"	"	"	"	"	"	"	.....	"
"	9.00 a. m.	"	"	"	"	1.82	"	"	"	"	"	1.82	.....	"
"	*10.10 a. m.	"	"	"	"	"	"	"	"	"	"	"	.....	"
12		"	"	"	"	"	"	"	1.82	"	"	"	.....	"
"	4.30 p. m.	"	"	"	"	.....	.....	"	"	"	"	"	.....	"
18		"	"	"	1.87	.....	.....	"	"	"	"	"	.....	"
"	3.15 p. m.	"	"	"	"	.....	.....	"	"	"	"	"	.....	"
25		"	"	"	1.82	.....	.....	"	"	"	"	"	.....	"
"	10.30 a. m.	"	"	"	"	.....	.....	"	"	"	"	"	.....	"
26		"	"	"	"	.....	.....	"	"	"	"	"	.....	"
"	11.25 a. m.	1.72	"	"	"	.....	.....	"	"	"	"	"	.....	"
"	12.30 p. m.	"	"	1.72	"	.....	.....	"	"	1.72	"	"	.....	"
"	1.50 p. m.	"	"	"	"	.....	.....	"	1.72	"	"	"	.....	"
"	*2.20 p. m.	"	"	"	"	.....	.....	"	"	"	"	"	.....	"
27		"	1.72	"	"	.....	.....	"	"	"	"	"	.....	"
"	9.10 a. m.	"	"	"	"	.....	.....	"	"	1.72	"	"	.....	"
"	11.35 a. m.	"	"	"	"	.....	.....	"	"	"	"	"	.....	"
"	11.40 a. m.	"	"	"	"	.....	.....	"	"	"	"	"	.....	"
"	12.20 p. m.	1.82	"	"	"	.....	.....	"	"	"	"	"	.....	"
29		"	"	"	"	.....	.....	"	"	1.82	"	"	.....	"
"	2.50 p. m.	"	"	1.82	"	.....	.....	"	"	"	"	"	.....	"
"	3.00 p. m.	"	"	"	"	.....	.....	"	"	"	"	"	.....	"
"	3.14 p. m.	"	"	"	"	.....	.....	"	"	"	"	"	.....	"
30		"	1.82	"	"	.....	.....	"	"	"	"	"	.....	"
"	5.00 p. m.	"	"	"	"	.....	.....	"	"	"	"	"	.....	"
Apr. 2		"	"	"	"	1.82	.....	"	"	"	"	"	.....	"
"	*11.50 a. m.	"	"	"	"	"	.....	"	"	"	"	"	.....	"
6		"	"	"	"	"	.....	"	1.82	"	"	"	.....	"
"	4.45 p. m.	"	"	"	"	"	.....	"	"	"	"	"	.....	"

* Telephone.

1170 DEFENDANT'S EXHIBIT 19.

ARMSTRONG BUREAU OF RELATED INDUSTRIES, 11 S. LA SALLE ST., CHICAGO.

LISTING MARKET INFORMATION CLEARED THROUGH THE BUREAU BY THE FLAXSEED CRUSHING INDUSTRY.

1. Credit compilations.
2. Daily sales reports.
3. Exchange quotation reports.
4. Exchange sales reports.
5. Market letters.
6. Quarterly crushing statistics.
7. Quotation reports.
8. Special quotation reports.
9. Special sales reports.
10. Stock & crushing statistics.
11. Stock on hand reports.
12. Weekly sales reports.
13. Weekly analyses of sales.

1171 Exhibit No. 1.

CREDIT COMPLICATIONS.

These compilations which are made from the reports of subscribers are arrived at as follows:

Upon receipt of inquiry from any subscriber, made out on the attached form marked "Exhibit #1–A," the bureau sends out inquiries on attached form marked "Exhibit #1–B" to all council members. These inquiries are marked with key numbers of subscribers and no names appear.

Upon receipt of replies from all, the bureau sends out compilation on attached sheet marked "Exhibit #1–C" to those subscribers whose reports show that they have had dealings with the firm in question and are therefore interested.

Exhibit #1–A.

1171½ Credit inquiry.

Subscriber No. 4.
Date: 5/4/20.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
11 So. La Salle Street, Chicago.

GENTLEMEN: We have an order from
We have an overdue account with E. J. Woodison Co., Detroit, Mich., and would be pleased to have such credit information as the bureau can secure for us.

Following are the details of our account:

1. Length of time sold, July, 1919.
2. Date of last sale, April 7, 1920.
3. Terms of last sale, 1% 10–30 net T/A.
4. Highest credit extended, 20,559.11.
5. Amount now owing us: Open account, $12,317.59, notes, $8,241.52.
6. Amount past due: Open account, $8,595.85, notes, $———.
7. Payment: Slow.
8. Remarks: ———.

NOTE.—No signature is necessary to this form. Subscriber's key No., above, is sufficient. Subscribers must have an order from or an account with the concern on whom information is requested. If your interest is because of a past due account, please fill in details 1 to 7 (inclusive). If you have an order in hand and no previous transactions, draw a line through the words "We have an overdue account with."

Exhibit #1–B.

1172 Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

Credit inquiry No. 7—Official business of flaxseed crushing
E. industry—May 5, 1920.

This credit information is to be exchanged only with those competing manufacturers who in the true spirit of modern business cooperation are affording one another this assistance for the legitimate and intelligent conduct of their business.

Subscriber No. 1.

GENTLEMEN: Please furnish the bureau in the strictest confidence, for the exclusive use of its subscribers, such information as you may have at your disposal relating to the financial standing and business methods of E. J. Woodison Co., Detroit, Mich.

1. How long have you sold this concern?_____
2. Date of last sale_____
3. Terms of last sale_____
4. Highest credit extended_____
5. Amount now owing you: Open acct. $_____Notes $_____
6. Amount past due: Open acct. $_____Notes $_____
7. Payment: Prompt_____Fair_____Slow_____
8. Remarks: _____

Please return this inquiry promptly to this office. If you have had no dealings with the above, kindly check NO BUSINESS_____ here.

NOTE.—No signature is necessary to this form. Subscriber's key number is sufficient.

1172½ Exhibit #1-C.

Armstrong Bureau of Related Industries—11 South La Salle Street Chicago.

E.

Credit report No. 7—Official business of flaxseed crushing industry —May 18, 1920—Compilation report on credit inquiry No. 7—E. J. Woodison Co., Detroit, Mich.

Information compiled from reports of 11 subscribers, 4 reports having sold above firm.

1. Period sold:
   Less than 1 year 2.
   1 to 2 years----------
   3 to 5 years 2.
   Over 5 years----------
2. Date of last sale, April 8, 1920.
3. Terms of last sale: 1% 10 days or 30-day trade acceptance net.
   Cash 30 days----------
   60 days----------
   90 days----------
4. Highest credit extended:
   Less than $1,000----------
   $1,000 to $3,000 1.
   $3,000 to $5,000----------
   $5,000 to $10,000----------
   Over $10,000 3.
5. Total amount owing subscribers:
   On open acct., $15,424.59.
   On notes, $25,241.50.
   Trade acceptance, $9,000.
6. Total amount past due:
   On open acct., $8,595.85.
   On notes, $----------
7. Payment:
   Prompt, 2.
   Fair----------
   Slow, 2.
8. Remarks:
   "Pays by trade acceptance."
   "Considered good, but sometimes extremely slow."

(Please retain this for your files.)

To subscribers #1, 3, 4, and 11.

1173 Exhibit No. 2.

DAILY SALES REPORTS.

As provided in service contract, each subscriber has mailed to the bureau at the end of every business day a report of all his carload

sales for that day of oil, cake, and meal. These reports are mad
out on form as per the attached marked "Exhibit #2–A" and if n
sales have been made on that day the form is mailed with the word
"No sales" checked.

This information is listed as soon as completed on the forms lil
the samples attached marked "Exhibits #2–B and #2–C."

1174 Exhibit #2–A.

Daily carload sales report.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.
Day: Friday.
Date: June 25, 1920.
Report No.----------

GENTLEMEN: We list herewith a complete report of all of our ca
load sales for to-day of oil, cake, and meal:

LINSEED OIL.

Quantity.	Kind.	How shipped.	Zone.	Price.	Terms.	Time of delivery.
500 gal..	Raw.....	Bbls...	3	1.43	.....	Aug.–Sept.
30,000 " ..	"	Bulk...	2	1.40	Direct...	Nov.–Apr.
20,400 " ..	"	Bbls...	2	1.40	.....	Aug.–Sept.–Oct.

LINSEED CAKE AND MEAL.

70 tons....	Oilmeal .	sax....	f. o. b. Mpls.	$63.00	.....	Prompt.

Signed ARCHER-DANIELS LINSEED CO.

No sale. Check here.

EXPLANATION.—"Quantity": Gallons or tons. "How shipped"
Barrels, tank cars, tank wagons, etc. (meal, bags or bulk). Sales
same price into same zone similarly "packed" are reported in total.

1175 Armstrong Bureau of Related Industries, 11 South La Sal
Street, Chicago.

Of.

Daily sales report.

This market information is published under the terms of th
open price plan in a legitimate effort to place subscribers indivi

ually in possession of facts essential to the intelligent conduct of their business.

Business of the flaxseed crushing industry, July 3, 1920. Report No. 532.

The bureau has received the following reports of sales for publication to subscribers (being carload sales of oil for June 25, 1920, and not previously reported):

Subscr. No.	Quantity (carloads).	Kind.	Zone.	Price.	Terms.	Del'y.
	OIL.					
1 and 2	No sales.					
3	500 gal. (bbls.)	Raw	3	1.43	Direct	Aug.-Sept.
	30,000 " (bulk)	"	2	1.40		Nov.-Apr.
	20,400 " (bbls.)	"	2	1.40		Aug.-Sept.-Oct.
	Total, 50,900 gal.					
4	3,500 gal. (coop.)	"	1	1.60	D. S.	Prompt.
	17,500 " "	"	1	1.40	"	Aug.-Dec.
	Total, 21,000 gal.					
5 and 7	No sales.					
8	3,400 gal. (bbls.)	Raw	3	1.45	Direct	Sept.
9, 10, and 11	No sales.					
13	Included with No. 3's report					
14	3,400 gal. (coop.)	Raw	2	1.61	Reg. D. S.	July.

Recapitulation.

1		9	
2		10	
3	50,900 gal.	11	
4	21,000 "	13	
5		14	3,400 gal.
7		Total	78,700 gal.
8	3,400 "		

1176 Exhibit #2-C.

Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

OF.

Daily sales report.

This market information is published under the items of the open price plan in a legitimate effort to place subscribers individually in possession of facts essential to the intelligent conduct of their business.

Official business of the flaxseed crushing industry, July 3, 1920.
Report No. 532–A.

The bureau has received the following reports of sales for publication to subscribers (being carload sales of cake and meal for June 25, 1920, and not previously reported):

Subscr. No.	Quantity (carloads).	Kind.	Zone.	Price.	Terms.	Del'y.
	MEAL.					
1 and 2	No sales.					
3	70 tons (sacks)			63.00	F. o. b. Mpls.	Prompt.
4 and 5	No sales.					
7	30 tons (bulk)		1	60.00	Mpls	About July 15th.
	30 " (in 100# sacks)		1	63.00	"	Prompt.
	Total, 60 tons.					
8, 9, 10, 11, 13 and 14.	No sales.					

Recapitulation.

1	...	9	...
2	...	10	...
3	70 tons.	11	...
4	...	13	...
5	...	14	...
7	60 "		
8	...	Total	130 tons.

1177 Exhibit No. 3.

EXCHANGE QUOTATION REPORTS.

Exchange quotations in this industry are quotation reports on special oils such as "Calcutta" and others which are manufactured and sold only by a part of the council membership.

These quotations are designated as "exchange quotations" because they are distributed by the bureau only to those subscribers who have filed with the bureau their price lists on the same product.

See Exhibit #3–A attached.

1178 Exhibit #3–A.

Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

H. Quotation report.

This market information is published under the terms of the open-price plan in a legitimate effort to place subscribers individually in possession of facts essential to the intelligent conduct of their business.

Business of the flaxseed crushing industry.

The bureau has received the following information for distribution under the open-price plan to subscribers entitled to receive same:

Exchange report No. 2. Received November 27th and 16th (respectively).

To #5 and 12 (11/27).

Price differentials on special oils.

CHICAGO, *November 26, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In accordance with suggestion contained in paragraph 41 of your letter #102 of November 23rd, the following is a list of our special oils and price differentials:

Boiled	2¢ per gallon over raw.
Bleached, Refined, Varnish	4¢ per gallon over raw.
Heavy bodied	5¢ per gallon over raw.

Yours very truly,

HIRST & BEGLEY LINSEED CO.
(Signed) JNO. L. REQUE, *Vice-Pres.*

BUFFALO, N. Y., *Nov. 15, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Linseed oil.

GENTLEMEN: We submit the following schedule of differentials as applying to our various special oils over the raw basis:

Aged	2 cents.
Refined	4 "
Crystal boiled	5 "
Diamond K	6 "
Double boiled	3 "
Pale grinding	4 "
Heavy-bodied pale	4 "
Improved boiled	2 "
Improved raw	2 "
Kellogg advanced process	6 "
Kellogg varnish oil	4 "
Pale-bodied varnish	5 "
Superior	5 "

Yours truly,

SPENCER KELLOGG & SONS, INC.
(Signed) V. H. HUNTER,
General Sales Manager.

1179 Exhibit 4.

EXCHANGE SALES REPORTS.

This branch of market information has not been operative since November 14th, 1918 (very shortly after the inception of the service), and the bureau has in its files only two such reports.

When the service was inaugurated the exchange sales reports were sent out in cases where several subscribers had quoted on the same business, and no report of the sale was sent to those subscribers who had not quoted on the transaction.

Sample marked "Exhibit #4–A" is attached.

Exhibit #4–A.

1180 Armstrong Bureau of Related Industries, 11 South La Salle St., Chicago.

K. Exchange sales report.

This market information is published under the items of the open price plan in a legitimate offer to place subscribers individually in possession of facts essential to the intelligent conduct of their business.

Official business of the flaxseed-crushing industry,
November 14, 1918. Report No. 2.

The bureau has received the following reports of sales for publications to subscribers:

Copy to #1 & 5.

Sale to Campbell-Wynant Co., Muskegon, Mich.

NEW YORK CITY, *Nov. 11, 1918.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We have to report a sale on which we quoted November 9th, one tank boiled linseed oil to the Campbell-Wynant Co., Muskegon, Mich., at $1.50 per gallon for boiled oil in tank cars. This transaction at this price is a plain error and is not explainable on any other basis but that of error. We made our price on November 8th 5¢ advance over our previous price in zone 1 of $1.53 and our quotation to this customer should have been on the basis of $1.54 in tank cars in place of $1.50. On the face of it, this shows plainly that it was a mistake, as if we had been quoting on the basis of the price before the rise we would have quoted $1.49 in tank cars for boiled linseed oil.

We should be glad to have you make this explanation to any one who may have been interested in this particular transaction.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Mgr. Oil Sales Dept.

1181 Exhibit No. 5.

MARKET LETTERS.

Under the above heading any subscriber may apply through the bureau to other subscribers for information on past transactions, and "Exhibits #5–A, #5–B, and #5–C" will show the manner of handling such requests. It will be understood that all market letters are sent to every council member regardless of whether or not all have been concerned in the transaction.

In addition the bureau is in the habit of bulletining in market letter form any news of general interest to the industry or any other matter which it may be proper to bulletin under the terms of the service contract. "Exhibits #5–D and #5–E" will furnish examples.

It will be noted that the minutes of meetings are also sent out under the heading of "Market Letters."

Exhibit #5–A.

1182 Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

Market letter No. 1343.

This market information is published under the terms of the open price plan in a legitimate effort to place subscribers individually in possession of facts essential to the intelligent conduct of their business.

Official business of flaxseed crushing industry, March 20, 1920.

SC.

Reported sale to Pennsylvania Railroad.

All subscribers please reply.

Kindly state whether or not you have quoted or sold the above company, giving full particulars.

NEW YORK, *March 17, 1920.*

To: Armstrong Bureau of Related Industries.
From: National Lead Company.
Subject: Sale to Pennsylvania Railroad.

We are in receipt of the following from our Philadelphia representatives:

"On March 5th we quoted the Penna. Railroad on 400 to 600 barrels of linseed oil for delivery during the months of June, July, and August at $1.62 per gallon.

"We were informed several days later by the purchasing department, Penna. Railroad, that they had already placed the order at several cents below our price. Will you kindly make inquiry of the council members as to whether any of them made a sale of oil to the Pennsylvania Railroad on or about March 5th? Also will you kindly get for us full particulars of the sale."

Will you kindly bulletin the above, and oblige.

Yours, very truly,

(Signed) C. T. NOLAN,
Manager.

1183 Exhibit #5-B.

Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

SC.

Market letter No. 1354.

This market information is published under the terms of the open price plan in a legitimate effort to place subscribers individually in possession of facts essential to the intelligent conduct of their business.

Official business of flaxseed crushing industry, March 26, 1920.

Compilation report—market letter #1343—Reported sale to Pennsylvania railroad.

In the file of replies on the above, completed this day, all subscribers except one state in effect that they have neither quoted nor sold the above company on this business.

The only exception to this is letter received from subscriber #14 published below, and since this subscriber did not receive the business it is evident that it was placed outside of the council.

BUFFALO, N. Y., *March 22, 1920.*

To: Armstrong Bureau of Related Industries.
From: The Mann Bros. Co., J. J. Mann, Vice Pres.
Subject: Market letter No. 1343.

1. We quoted the Pennsylvania R. R. Co. on about March 5th our regular filed price for 400 to 600 barrels of linseed oil for July-August, but did not receive the business.

Yours truly,

THE MANN BROS. CO.,
(Signed.) JOHN J. MANN,
Vice. Pres.

1184 Exhibit #5–C.

Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

K.

Market letter No. 1234.

This market information is published under the terms of the open price plan in a legitimate effort to place subscribers individually in possession of facts essential to the intelligent conduct of their business.

Official business of flaxseed crushing industry, January 29, 1920.

Time table on market letter #1200—Reported quotation to Union Radiator Co., Johnstown, Pa.

Publication of compilation report on the above market letter (dated January 21st) is delayed because of an incomplete file of replies.

Will the delinquent subscriber kindly follow this matter up and let us have a final reply at the earliest possible moment?

Subscriber.	Date of reply.
American Linseed Company	(Inquirer).
Ankeney Linseed Mfg. Co	January 22nd.
Archer-Daniels Linseed Co	Tentative reply January 23rd.
Wm. O. Goodrich Company	January 22nd.
Hirst & Begley Linseed Works	" 22nd.
The Mann Bros. Co	" 23rd.
Midland Linseed Products Co	" 23rd.
Minnesota Linseed Oil Co	" 22nd.
National Lead Company	" 24th.
Northern Linseed Oil Co	" 23rd.
Red Wing Linseed Oil Co	" 22nd.
The Sherwin-Williams Co	" 23rd.
Spencer Kellogg & Sons, Inc	" 24th.
The Toledo Seed & Oil Company	" 24th.

1185 Exhibit #5–D.

Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

SC.

Market letter No. 1420.

This market information is published under the terms of the open price plan in a legitimate effort to place subscribers individually in possession of facts essential to the intelligent conduct of their business.

Official business of flaxseed crushing industry, August 17, 1920.

A new use for the book.

The following furnishes gratifying evidence that the principles set forth in the book "Intelligent Selfishness A Business Builder" have a wide application.

The bureau has a file of similar letters.

U. S. ARMY,
RECRUITING STATION FOR NEW JERSEY,
Newark, N. J., August 12, 1920.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

DEAR MR. ARMSTRONG: Your book "Intelligent Selfishness" received, and it is a pleasure indeed to read it, and to receive it as a gift is indeed a very high compliment.

We are applying its lessons to recruiting work with marked success.

Thanking you for your kindness and with best wishes for your success, I am

Yours very truly,

(Signed) DON R. NORRIS,
Captain, U. S. A.

1186 Exhibit #5-E.

Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

K.

Market Letter No. 1242.

This market information is published under the terms of the open price plan in a legitimate effort to place subscribers individually in possession of facts essential to the intelligent conduct of their business.

Official business of flaxseed crushing industry, January 31, 1920.

Trade acceptance literature.

The bureau feels that all subscribers will be interested in the apparently very complete bibliography on trade acceptance given in the following article:

Acceptance Literature.

An extensive demand from business men in all parts of the country for copies of the booklet entitled "Trade Acceptances—What They Are and How They Are Used," by Robert H. Treman, formerly deputy governor of the Federal Reserve Bank of New York, and published by the American Acceptance Council, 111 Broadway, New

York City, is necessitating a new and large printing. This booklet is valuable not only for those who for the first time are seeking information as to the trade acceptance method but for those who have already adopted it in their prospective lines of business.

The American Acceptance Council has published during the past year an extensive list of titles enumerated below dealing not only with trade acceptances but also with bankers' acceptances and will continue to add at frequent intervals new pamphlets and folders dealing in a practical way with related subjects. These are sent without charge to business men who desire them for study and guidance. The council particularly requests that those desiring copies of the booklet by Mr. Treman communicate their requests without delay.

"Acceptances in Our Domestic and International Commerce." Paul M. Warburg.

"The Acceptance as the Basis of the American Discount Market." John E. Rovensky.

"American Bankers' Acceptances and Foreign Trade." Fred I. Kent.

"Domestic Acceptances—Financing Warehoused Staples." R. S. Hecht.

"Acceptance Corporations." F. Abbot Goodhue.

"The Case of the Trade Acceptance." Trade Acceptance Committee.

"Trade Acceptances." Robert H. Treman.

"The Banker and Trade Acceptances." George Woodruff.

"Abuses to be Avoided in Trade Acceptance Practice." David C. Wills.

"Trade Acceptance Experiences." James A. Green.

"Report of Acceptance Committee of the American Bankers Association."

"Problems and Progress with Dollar Acceptances." Jerome Thralls.

"Proceedings, First Annual Convention."

"The Trade Acceptance—A Statement of Principles." (Folder.)

"What Users Say of Trade Acceptances." (Folder.)

"What Bankers Say of Trade Acceptances." (Folder.)

"The Better Way." (Folder.)

"Why Accept?" (Folder.)

"The Acceptance Bulletin." (Monthly.) Vol. I, Nos. 1 to 9, inclusive.

Exhibit No. 6.

1187 QUARTERLY CRUSHING REPORT.

This branch of service was inaugurated only last November and the last report published was for the quarter ending March 31st.

The individual reports from subscribers made out in letter form, as per attached "Exhibit #6–A," are compiled by the bureau as in form attached "Exhibit #6–B" which does not disclose any individual figures.

Exhibit #6–A.

1188 Ankeney Linseed Mfg. Co.

DES MOINES, IOWA, *1/22/20.*

From: Ankeney Linseed Mfg. Co.
To: Armstrong Bureau of Related Industries.
Subject: Crushing statistics for quarter ending December 31st, 1919.

We have to report that we crushed 70,849 bushels flaxseed for the quarter ending December 31st, 1919.

(Signed) H. E. ANKENEY,
Sec'y-Treas.

Exhibit #6–B.

1189 Flaxseed crushing industry. Report No. 2.

FEBRUARY 5, 1920.

Crushing statistics.

The total crushing statistics reported by subscribers for the quarter beginning October 1, 1919, and ending December 31, 1919, amount to 7,039,992 bushels.

1190 Exhibit No. 7.

QUOTATION REPORTS.

The procedure in the matter of quotation reports (or price lists) in this industry is as follows:

At the inception of the service all subscribers sent in their latest price lists, and when all had been received by the bureau they were published to all subscribers. Since that time individual changes in prices have been reported to the bureau by wire immediately they were made. The telegrams are relayed to all by wire, as per "Exhibit #7–A and #7–B." These wires are followed by confirmation reports sent out by the bureau on same day, as per "Exhibit #7–C and #7–D." While some subscribers are in the habit of following their telegrams with a carbon confirmation, such confirmations are merely compared to insure their accuracy but are not published by the bureau.

A confirmation by mail, containing a detailed revised price list, is sent by each subscriber following his telegraphic advice, and these confirmations are published as per "Exhibit #7–E and #7–F."

It will be noted that the quotation reports sent out by the bureau are arranged numerically, beginning with #1 for each subscriber and separated as to oil, cake, and meal, as will be noted by the exhibits attached. The number appearing on the report before the words "Report No." at the right furnish the key to the identity of the subscribers.

1191 Exhibit #7-A.

[Telegram.]

(Oil.)

JUNE 25, 1920.

Abaft mess london baric dollar forty zone one two three gallop galore luna Keel lyrid naileress

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

Collect.

Send the above message to following:

American Linseed Company, New York City.

Ankeney Linseed Mfg Co., Des Moines, Ia.

Wm. O. Goodrich Company, Milwaukee, Wis.

The Mann Bros. Co., Buffalo, N. Y.

Minnesota Linseed Oil Co., Minneapolis, Minn.

Mr. C. T. Nolan, National Lead Co., New York City.

Northern Linseed Oil Co., Minneapolis, Minn.

Red Wing Linseed Oil Co., Red Wing, Minn. (via Western Union).

Mr. E. E. Stahl, The Sherwin-Williams Co., Cleveland, O.

Translation.

Archer-Daniels wires June 25th, 10.00 noon, we have quoted raw oil carload cooperage zones one, two, three, September-April at $1.40, our filed differentials and freight all other zones, other months unchanged, sent 1.00 p. m. This message received by the bureau at 2.53 p. m., and relayed at 3.05 p. m.

1192 Exhibit #7-B.

[Telegram.]

(Meal.)

JUNE 21, 1920.

Abaft merit leather octagon sixty three oint sixty five fob Minneapolis leech Keel luff lump

ARMSTRONG BUREAU OF RELATED INDUSTRIES.

Collect.

Send the above message to following:

American Linseed Company, New York City.

Wm. O. Goodrich Company, Milwaukee, Wis.

The Mann Bros. Co., Buffalo, N. Y.

Minnesota Linseed Oil Co., Minneapolis, Minn.

Northern Linseed Oil Co., Minneapolis, Minn.

Red Wing Linseed Oil Co., Red Wing, Minn. (Via Western Union.)

Mr. E. E. Stahl, The Sherwin-Williams Co., Cleveland, O.

Translation.

Archer-Daniels wires June 23rd, 9.50 a. m., we have quoted oil meal carload sacks June–July at $63.00, August–September at $65.00 fob Minneapolis, sent 10.00 a. m. This message received by the bureau at 12.38 p. m., and relayed at 12.58 p. m.

1193 Exhibit #7–C.

Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

SC.

Quotation report.

This market information is published under the terms of the open price plan in a legitimate effort to place subscribers individually in possession of facts essential to the intelligent conduct of their business.

Business of the Flaxseed Crushing Industry.

The bureau has received the following information for distribution under the open price plan to subscribers entitled to receive same:
Received June 25, 1920, 2.53 p. m. #3 Report No. 133.

Oil—Confirming the bureau's telegraphic report of this day.

Abaft mess london baric dollar forty zone one two three gallop galore luna. Keel lyrid naileress.

The message received by the bureau read:
"Mess london baric dollar forty zone one two three gallop galore sent luna.

"ARCHER-DANIELS LINSEED CO."

Translation.

Archer-Daniels wires June 25th, 12.00 noon, we have quoted raw oil carload cooperage zones one, two, three, September–April at $1.40, our filed differentials and freight all other zones. Other months unchanged, sent 1.00 p. m. This message received by the bureau at 2.53 p. m., and relayed at 3.05 p. m.

1194 Exhibit #7–D.

Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

AO.

Quotation report.

This market information is published under the terms of the open price plan in a legitimate effort to place subscribers individually in possession of facts essential to the intelligent conduct of their business.

Business of the flaxseed crushing industry.

The bureau has received the following information for distribution under the open price plan to subscribers entitled to receive same:

Received June 23, 1920, 12.38 p. m. #3. Report No. 59.

Cake and meal—Confirming the bureau's telegraphic report of this day.

Abaft merit leather octagon sixty three oint sixty five fob Minneapolis leech. Keel luff lump.

The message received by the bureau read:

"Merit leather octagon sixty three oint sixty five fob Minneapolis sent leach.

"ARCHER-DANIELS LINSEED CO."

Translation.

Archer-Daniels wires June 23rd, 9.50 a. m., we have quoted oil meal carload sacks June–July at $63.00, August–September at $65.00, fob Mineapolis, sent 10.00 a. m. This message received by the bureau at 12.38 p. m., and relayed at 12.58 p. m.

1195 Exhibit #7–E.

Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

SC.

Quotation report.

This market information is published under the terms of the open price plan in a legitimate effort to place subscribers individually in possession of facts essential to the intelligent conduct of their business.

Business of the flaxseed crushing industry.

The bureau has received the following information for distribution under the open price plan to subscribers entitled to receive same:

Received June 28, 1920. #3. Report No. 133–A.

Oil—Detailed price list confirming telegraphic information given in Report #133.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Ill.

Day: Friday.
Date: June 25, 1920.
Price list No. 100.
Terms: 1% 10 days, 30 days net or trade acceptance.

We have to-day quoted the following prices:

Carload raw oil in cooperage gallon.

	Zones—								
	1	2	3	4	5	6	7	8	
Linseed oil...	1.69	1.68	1.67	1.69	1.71	1.76	1.77	1.78	June.
	1.62	1.61	1.60	1.62	1.64	1.69	1.70	1.71	July.
	1.50	1.50	1.50	1.52	1.54	1.59	1.60	1.61	August.
	1.40	1.40	1.40	1.42	1.44	1.49	1.50	1.51	Sept.-April.

Richmond 1¢ over zone 3. Memphis 2¢ over zone 1. Lincoln 1¢ over zone 1.

Tank cars.	Steel drums.	Whse. del'y.	Tank wagons (whse. base).	Half bbls. (whse. base).	2-5 gal. in case (whse. base).
7¢ less....	4¢ less plus cost of drums or 5¢ over in one time shippers.	3¢ over..	5¢ under whse.	5¢ per gal. over.	15¢ per gal. over.

ARCHER-DANIELS LINSEED CO.,
(Signed) E. B.

Exhibit #7-F.

1196 Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

AO.

Quotation report.

This market information is published under the terms of the open price plan in a legitimate effort to place subscribers individually in possession of facts essential to the intelligent conduct of their business.

Business of the flaxseed crushing industry.

The bureau has received the following information for distribution under the open price plan to subscribers entitled to receive same:
Received June 25, 1920. #3. Report No. 59-A.

Cake and meal—Detailed price list confirming telegraphic information given in report #59.

Date, 6/23/20.
Report No. 35.

We quote at present, Archer-Daniels pure old process, ground oil cake, fine or pea size in 100's, in new jute sacks, carlots 30 tons fob our Minneapolis mill.

$63.00 June-July.
65.00 Aug.-Sept.

L. C. L. per ton.	Cake in sacks per ton.	Meal bulk per ton.	Cake bulk per ton.	Meal in 2nd hand bags per ton.
$2.00 over fob Minneapolis freight house.	$2.00 less..	$2.50 less..	$3.00 less..	50¢ less.

Very truly yours,

ARCHER-DANIELS LINSEED CO.

1197 Exhibit No. 8.

SPECIAL QUOTATION REPORTS.

Whenever a quotation on one carload or more is made by a subscriber at variance with his last filed price list, giving better terms to the contemplated purchaser than those filed by him, the subscriber having made this quotation reports to the bureau by wire the prospective buyer's name, address, quantity of oil, cake, or meal on which quotation was made, also prices and terms; confirming this "special quotation" by mail the same day.

It will be noted that special quotations in this industry are the exception rather than the rule, since the last reported issued under date of June 1st, 1920, bears the number 22 and report #1 was issued October 17th, 1918.

Samples marked "Exhibit #8–A and #8–B" are attached.

1198 Exhibit #8–A.

Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

H.

Quotation report.

This market information is published under the terms of the open price plan in a legitimate effort to place subscribers individually in possession of facts essential to the intelligent conduct of their business.

Business of the flaxseed-crushing industry.

The bureau has received the following information for distribution under the open price plan to subscribers entitled to receive same:

Received April 21, 1920, 8.45 a. m. Special report No. 21.

Confirming the bureau's telegraphic report of this day—Quotation in zone three by subscriber #1.

Received at 8.45 a. m.
Relayed at 9.00 a. m.

Aback marvel special quotation hack one tankcar basis dollar fifty seven raw July forward. Keel marvelous languageless lasher.

The message received by the bureau read:

"We made special quotation zone three one tank car basis dollar fifty seven raw July forward.

"AMERICAN LINSEED COMPANY."

Note by the bureau: The attention of subscriber #1 is called to the fact that the prospective buyer's name and address should be given when reporting a special quotation, and the above report should therefore be supplemented with this additional information.

1199 Exhibit #8–B.

Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

H.

Quotation report.

This market information is published under the terms of the open price plan in a legitimate effort to place subscribers individually in possession of facts essential to the intelligent conduct of their business.

Business of the flaxseed-crushing industry.

The bureau has received the following information for distribution under the open price plan to subscribers entitled to receive the same.

Received May 5, 1920. Special Report No. 21–A.

Supplementing special quotation report #21—Quotation in zone three by subscriber #1.

NEW YORK, *May 3rd, 1920.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In reply to your letter of April 29th, with respect to our special quotation of April 21st, wish to advise that this quotation was made to the Schenectady Varnish Co., Schenectady, New York.

Yours very truly,

AMERICAN LINSEED COMPANY,

(Signed) W. F. PLATT, Jr.,
Oil Sales Dept.

1200 Exhibit No. 9.

SPECIAL SALES REPORT.

Any sale made by a subscriber as a result of "special quotations," as described in "Exhibit #8," or any other sale which is made at variance with any subscriber's last filed price list is reported to the bureau by wire and published as per attached "Exhibit #9–A."

1201 Exhibit #9-A.

Special sales report.

Official business of the flaxseed crushing industry—July 8, 1920.
Report No. 108.

Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

K.

This market information is published under the items of the open price plan in a legitimate effort to place subscribers individually in possession of facts essential to the intelligent conduct of their business.

The bureau has received the following reports of sales for publication to subscribers:

Confirming the bureau's telegraphic report of this day sales to Red Wing Linseed Oil Co., Red Wing, Minn., and Dean & Berry, Cincinnati, Ohio, by subscriber #3.

Received at 8.48 a. m.
Relayed at 9.08 a. m.

Abaft sold July seventh ten AM ten thousand gallons basis one twenty two bulk raw September October Dean and Berry Cincinnati this special sale.

The message received by the bureau read:

"Quoted July seventh at ten AM and sold July seventh at two thirty PM one thousand barrels September December Redwing Linseed Co one twenty net to us bulk raw, this special sale Quoted and sold July seventh at ten AM ten thousand gallons basis one twenty two bulk raw September October Dean and Berry Cincinnati this special sale.

"ARCHER-DANIELS LINSEED CO."

Translation.

Archer-Daniels wires—Quoted July 7th at 10.00 A. M., and sold July 7th at 2.30 P. M., 1000 barrels September-December Red Wing Linseed Co., $1.20 net to us bulk raw, this special sale. Quoted and sold July 7th at 10:00 A. M. 10,000 gallons basis $1.22 bulk raw September-October Dean and Berry, Cincinnati, this special sale.

1202 Exhibit No. 10.

STOCK & CRUSHING STATISTICS.

This is a monthly report and the figures shown thereon, as per attached "Exhibit #10-A," are compiled from the reports of all subscribers sent individually to the bureau.

In the compilation totals are used without disclosing the individual identity or figures.

This branch of the service was inaugurated only last March and the bureau has in its files only four of these reports.

1203 Exhibit #10–A.

Flaxseed crushing industry—March 15, 1920—Report No. 1.

Stock and crushing statistics for the month of February, 1920, compiled from the reports of 12 subscribers:

Unworked flaxseed in mill, elevator, or warehouse, 398,449 bushels.
Oil on hand, in mill or warehouse, 3,626,286 gallons.
Cake and meal on hand, in mill or warehouse, 17,097,975 pounds.
Flaxseed crushed, 722,450 bushels.

1204 Exhibit No. 11.

STOCK ON HAND REPORTS.

This is a monthly report sent in on form as per attached marked "Exhibit #11–A" and is listed as received, as shown in the attached "Exhibit #11–B."

Exhibit #11–A.

Monthly report—Stock on hand.

For month of_____
Report No_____

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We have the following stock on hand and not covered by order or contract:

Oil, 1,021,115 gal.
Cake and meal, 2,974 tons.
If no stock of all of the above on hand not covered by order or contract then check here ☞ ☐

(Signed) AMERICAN LINSEED CO.

1205 Exhibit #11–B.

Flaxseed-crushing industry—March 12, 1919—Report No. 5.

Stock on hand as of March 1st, 1919.

The bureau has received the following reports of stock on hand for the month of February (not covered by order or contract) for publication to subscribers:

Subscriber No.	Oil.	Cake.	Meal.
1	1,021,115 gal	2,974 tons	Cake and meal.
2	125,610 3/15 gal	None	None.
3	2,127 bbls	None	None.
4	4,155 gal	None	None.
5	None	None	None.
6	None	14,500 tons	Cake and meal.
7	183,011 gal	None	None.
8	210,000 gal	None	None.
9	209,401 gal	None	173 tons.
10	38,550 gal	None	None.
11	None	None	None.
12	140,000 gal	None	None.
13	None	None	None.

1206 Exhibit No. 12—Weekly sales reports.

This report is sent in weekly by each subscriber on form as per "Exhibit #12–A" and shows a list of all sales of oil, cake, and meal made during the week, including both carload and less than carload sales.

It will be seen that this report will include all sales reported during the week in the daily carload sales reports, and the manner of compiling will be shown on attached "Exhibits #12–B and 12–C," listing both boil and cake and meal.

1207 Exhibit #12–A.

Weekly sales report.

Week ending (day and date) Sat., June 12, 1920.
Report No. ----------

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We list herewith a full and complete report of all our sales of oil, cake, and meal for the week and not included in our previous report:

Quantity	Kind	Zone	Time delivery	Price	Terms
3,967 gals	Lin. oil (raw)	1	Prompt	1.75	Whse.
51 "	" "	1	"	1.85	"
147 "	" "	1	"	1.90	"
110 tons	Meal (sax)	1	June	64.00	Mill.

Export sales: None.

Signed NORTHERN LINSEED OIL CO.
B.

1208 Exhibit #12–B.

Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

Weekly sales report.

Business of the flaxseed crushing industry—June 23, 1920—Report No. 89.

This market information is published under the terms of the Open Price Plan in a legitimate effort to place subscribers individually in possession of facts essential to the intelligent conduct of their business.

The bureau has received the following reports of sales for publication to subscribers (being sales of oil for week ending June 12, 1920, and not previously so reported):

Subscr. No.	Quantity.	Kind.	Zone.	Price.	Terms.	Del'y.
	OIL.					
1	450 gal	Raw	1	1.72	Whse	Prompt.
	3,350 "	"	1	1.72	"	"
	200 "	"	2	1.71	"	"
	450 "	"	2	1.71	"	"
	900 "	"	2	1.71	"	"
	50 "	"	2	1.74	"	"
	2,150 "	"	3	1.70	"	"
	100 "	"	3	1.65	"	July.
	100 "	"	3	1.60	"	Aug.-Sept.
	1,950 "	"	3	1.70	"	Prompt.
	700 "	"	3	1.70	"	"
	1,750 "	"	3	1.70	"	"
	1,750 "	"	3	1.73	"	"
	15,000 "	"	3	1.50	D. S	Oct.-Dec.
	500 "	"	4	1.69	Whse	July.
	250 "	"	4	1.59	"	August.
	250 "	"	4	1.59	"	September.
	3,950 "	"	5	1.78	"	Prompt.
	550 "	"	5	1.72	"	"
	Total 34,400 gal.					
2	22,100 gal	"	1	1.63	Whse	Prompt.
	1,500 "	"	6	1.82	"	"
	Total 23,600 gal.					
3	2,075 gal	"	1	1.75	Whse	Prompt.
	3,250 "	"	2	1.75	"	"
	7,000 "	"	2	1.61	Direct	July.
	7,000 "	"	2	1.51	"	August.
	8,000 " (Special sale)	"	2	1.44	"	July.
	40,000 "	"	2	1.44	"	Aug.-Sept.
	50 "	"	3	1.75	Whse	Prompt.
	1,550 "	"	Memphis	1.77	"	"
	1,550 "	"	7	1.83	"	"
	Total 70,475 gal.					
4	2,150 gal	"	1	1.75	Whse	Prompt.
	150 "	"	2	1.75	"	"
	200 "	"	1	1.80	"	"
	100 "	"	2	1.86	"	"
	Total 2,600 gal.					
5	50,000 gal. (Special sale)	"	1	1.48	D. S	Oct.-Apr.
	10,000 " " "	"	1	1.48	"	" "
	250 "	"	1	1.73	W. H	Prompt.
	350 "	"	1	1.75	"	"
	1,000 "	"	1	1.76	"	"
	50 "	"	1	1.77	"	"
	450 "	"	1	1.78	"	"
	150 "	"	1	1.80	"	"
	100 "	"	1	1.81	"	"
	500 "	"	1	1.82	"	"
	300 "	"	1	1.83	"	"
	50 "	"	1	1.85	"	"
	17,500 " (Tankwagon)	"	1	1.61	D. S	July.
	10,000 " " "	"	1	1.53	"	August.
	Total 90,700 gal.					

Subscr. No.	Quantity.	Kind.	Zone.	Price.	Terms.	Del'y.
	OIL.					
1209 7	3,618 gal.	Raw	1	1.75	Whse.	Spot.
	354 "	"	1	1.82	"	"
	355 "	"	1	1.85	"	"
	Total 4,327 gal.					
8	3,000 gal.	"	3	1.70	"	Prompt.
	4,350 "	"	3	1.70	"	"
	5,850 "	"	3	1.70	"	"
	2,350 "	"	3	1.70	"	"
	1,500 "	"	3	1.70	"	"
	1,850 "	"	3	1.70	"	"
	100 " (steel drums)	"	3	1.73	"	"
	50 "	"	3	1.76	"	"
	450 "	"	3	1.75	"	"
	1,150 "	"	3	1.75	"	"
	250 "	"	3	1.75	"	"
	200 "	"	3	1.75	"	"
	100 "	"	3	1.76	"	"
	100 "	"	Richmond.	1.76	"	"
	50 "	"	"	1.76	"	"
	50 "	"	3	1.77	"	"
	500 "	"	3	1.77	"	"
	100 "	"	3	1.77	"	"
	100 "	"	3	1.77	"	"
	100 "	"	3	1.78	"	"
	50 "	"	3	1.80	"	"
	100 "	"	3	1.81	"	"
	50 "	"	3	1.81	"	"
	500 "	"	3	1.63	"	July.
	750 "	"	3	1.63	"	"
	Total 23,650 gal.					
9	3,957 gal.	"	1	1.75	Whse.	Prompt.
	51 "	"	1	1.85	"	"
	147 "	"	1	1.90	"	"
	Total 4,155 gal.					
10	1,200 gal. (bbls.)	Linseed	1	1.75	W. H.	Spot.
	350 " "	"	1	1.85	"	"
	Total 1,550 gal.					
11	No sales.					
13	Included with No. 3's report.					
14	500 gal.	Raw	2	1.71	D. S.	Prompt.
	50 "	"	2	1.72	"	"
	1,450 "	"	2	1.74	"	"
	1,750 "	"	2	1.75	"	"
	150 "	"	2	1.76	"	"
	1,400 "	"	3	1.76	"	"
	200 "	Boiled	3	1.78	"	"
	50 "	"	3	1.74	"	"
	50 "	"	3	1.77	"	"
	25 "	"	3	1.83	"	"
	450 "	"	2	1.77	"	"
	250 "	"	2	1.72	"	"
	25 "	"	2	1.79	"	"
	150 "	Raw	3	1.76	"	June.
1210	550 gal.	Raw	3	1.68	D. S.	July–Dec.
	3,450 "	"	2	1.75	Whse.	June.
	150 "	"	2	1.85	"	"
	Total 10,650 gal.					
	EXPORT SALES.					
1	No sales.					
2 and 3	No report.					
4 and 5	No sales.					
7 and 9	No report.					
9	No sales.					
10	No report.					
11 and 13	No sales.					
14	No report.					

RECAPITULATION.

	Domestic sales.	Export sales.		Domestic sales.	Export sales.
1	34,400 gal.		9	4,155 gal.	
2	23,600 "		10	1,550 "	
3	70,475 "		11		
4	2,600 "		13		
5	90,700 "		14	10,650 "	
7	4,327 "				
8	23,650 "			Total 266,107 "	

1211 Exhibit #12-C.

Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

Weekly sales report—Business of the flaxseed crushing industry—June 23, 1920—Report No. 89-A.

SC.

This market information is published under the terms of the open-price plan in a legitimate effort to place subscribers individually in possession of facts essential to the intelligent conduct of their business.

The bureau has received the following reports of sales for publication to subscribers (being sales of cake and meal for week ending June 12, 1920, and not previously so reported):

Subscr. No.	Quantity.	Kind.	Zone.	Price.	Terms.	Del'y.
	MEAL.				F. O. B.	
1	5 tons		1	71.44	Kansas City	Prompt.
	3 "		1	78.00	Omaha	"
	3 "		1	72.05	Chicago	"
	5 "		2	63.00	Buffalo	"
	Total 16 tons					
2	No sales.					
3	30 tons (sacks-S/D)			65.00	Minneapolis	Prompt.
	20 " "			65.00	"	"
	600 " "			62.00	Buffalo	Jun-July-Aug.
	700 " "			63.00	"	July-Aug.
	60 " "			63.00	Minneapolis	Quick.
	60 " "			63.00	"	June.
	80 " "			63.00	Buffalo	Prompt.
	30 " "			63.00	"	July.
	120 " "			63.00	"	Jun-July-Aug.
	30 " "			63.00	"	August.
	30 " "			63.00	Minneapolis	June.
	60 " "			63.00	"	"
	30 " "			63.00	"	"
	30 " "			63.00	Buffalo	"
	120 " "			64.00	"	July-Aug.
	5 " "			66.00	Minneapolis	Spot.
	Total 2,005 tons					
4	30 tons		1	68.00	Milwaukee	Prompt.
	1¼ "		1	73.00	"	"
	Total 31¼ tons					
5	5 tons	Fine	1	66.00	Chicago	Prompt.
	2 "	"	1	70.00	"	"
	Total 7 tons					

Subscr. No.	Quantity.	Kind.	Zone.	Price.	Terms.	Del'y.
7	30 tons (in 100's)		1	63.00	Minneapolis	Prompt.
	18,000 lbs. to fill out car on previous sale (in 100's).		1	63.00	"	Spot.
	700 " "		1	65.00	"	"
	1,000 " "		1	68.00	"	"
	500 " "		1	69.00	"	"
	100 " "		1	70.00	"	"
	Total 30 tons, 20,300 lbs					
8	No sales.					
9	110 tons (sacks)		1	64.00	Mill	June.
10	No sales.					
11	2,500 lbs. (D/B/L)		2	67.00	Cleveland	Prompt.
13	4 tons (S/D-B/L Attch)		2	70.00	Toledo	Prompt.
14	30 tons (in 100# bags)		Buffalo	62.50 per 2,000# D. S		Prompt.
	60 " "		"	63.00 " " "		July.
	7 " "		"	67.00 " " "		Prompt.
	Total 97 tons					

1212 RECAPITULATION.

Subscr. No.		
1	16 tons.	
2	---- "	
3	2,005 "	
4	31½ "	
5	7 "	
7	30 "	20,300 lbs
8	---- "	
9	110 "	
10	---- "	
11	----	2,500 "
13	4 "	
14	97 "	
Total	2,300½ tons.	22,800 lbs

1213 Exhibit No. 13.

WEEKLY ANALYSES OF SALES.

The analysis of sales, which is issued by the bureau weekly following the listing of weekly sales reports, is made up from those weekly sales reports and can be readily understood by a comparison of the two forms. It lists the subscribers (using their key numbers) and shows the delivery periods with the zones which are thereby covered; also gives a recapitulation of the total volume of business for the week.

Analyses for oil and cake and meal are issued separately and are shown in the attached "Exhibits #13–A and #13–B."

1214 Exhibit #13–A.

Flaxseed crushing industry—June 24, 1920—Report No. 30.

Analysis of sales for week ending June 12, 1920, by individual volume of business zones and delivery dates (covering report #89).

OIL.

[Figures in gallons.]

Subscr. No.	Delivery.	Zone.					
		1	2	3	4	5	6
1	Prompt	3,800	1,600	8,300	.....	4,500	.....
	July	.....	.....	100	500	.....	.....
	Aug	.....	.....	.....	250	.....	.....
	Aug.–Sept	.....	.....	100	.....	.....	.....
	Sept	.....	.....	.....	250	.....	.....
	Oct.–Dec	.....	.....	15,000	.....	.....	.....
	Total	3,800	1,600	23,500	1,000	4,500	.....
2	Prompt	22,100	.....	.....	.....	.....	1,500
3	Prompt	2,075	3,250	50	.....	.....	.....
	July	.....	15,000	.....	.....	.....	.....
	Aug	.....	7,000	.....	.....	.....	.....
	Aug.–Sept	.....	40,000	.....	.....	.....	.....
	Total	2,075	65,250	50	.....	.....	.....
4	Prompt	2,350	250	.....	.....	.....	.....
5	Prompt	3,200	.....	.....	.....	.....	.....
	July	17,500	.....	.....	.....	.....	.....
	Aug	10,000	.....	.....	.....	.....	.....
	Oct.–Apr	60,000	.....	.....	.....	.....	.....
	Total	90,700	.....	.....	.....	.....	.....
7	Prompt	4,327	.....	.....	.....	.....	.....
8	Prompt	.....	.....	22,300	.....	.....	.....
	July	.....	.....	1,250	.....	.....	.....
	Total	.....	.....	23,550	.....	.....	.....
9	Prompt	4,155	.....	.....	.....	.....	.....
10	Prompt	1,550	.....	.....	.....	.....	.....
11	No sales	.....	.....	.....	.....	.....	.....
13	Included in No. 3's report	.....	.....	.....	.....	.....	.....
14	Prompt	.....	4,625	1,725	.....	.....	.....
	June	.....	3,600	150	.....	.....	.....
	July–Dec	.....	.....	550	.....	.....	.....
	Total	.....	8,225	2,425	.....	.....	.....

1215

Subscr. No.	Delivery.	Zone 7.	Memphis.	Richmond.	Total.
1	Prompt				18,200
	July				600
	Aug				250
	Aug.–Sept				250
	Sept				100
	Oct.–Dec				15,000
	Total				34,400
2	Prompt				23,600
3	Prompt	1,550	1,550		8,475
	July				15,000
	Aug				7,000
	Aug.–Sept				40,000
	Total	1,550	1,550		70,475
4	Prompt				2,600
5	Prompt				3,200
	July				17,500
	Aug				10,000
	Oct.–Apr				60,000
	Total				90,700
7	Prompt				4,327
8	Prompt			100	22,400
	July				1,250
	Total				23,650
9	Prompt				4,155
10	Prompt				1,550
11	No sales				
13	Included with No. 3's report				
14	Prompt				6,350
	June				3,750
	July–Dec				550
	Total				10,650

1216 RECAPITULATION.

Subscr. No.	Domestic sales.	Total.	
		Gallons.	Percentage.
1	34,400	34,400	.1293
2	23,600	23,600	.0887
3	70,475	70,475	.2648
4	2,600	2,600	.0098
5	90,700	90,700	.3408
7	4,327	4,327	.0163
8	23,650	23,650	.0889
9	4,155	4,155	.0156
10	1,550	1,550	.0058
11			
13			
14	10,650	10,650	.0400
	266,107	266,107	1.0000

1217 RECAPITULATION OF TOTAL VOLUME OF BUSINESS FOR WEEK ENDING JUNE 12, 1920, BY ZONES AND DELIVERY DATES (COVERING REPORT #89).

OIL.

[Figures in gallons.]

Delivery.	Zone.						
	1	2	3	4	5	6	7
Prompt	43,557	9,725	32,375		4,500	1,500	1,550
June		3,600	150				
July	17,500	15,000	1,350	500			
July–Dec			550				
Aug	10,000	7,000		250			
Aug.–Sept		40,000	100				
Sept				250			
Oct.–Apr	60,000						
Oct.–Dec			15,000				
Total	131,057	75,325	49,525	1,000	4,500	1,500	1,550

1218 Delivery.	Memphis.	Richmond.	Total.
Prompt	1,550	100	94,857
June			3,750
July			34,350
July–Dec			550
Aug			17,250
Aug.–Sept			40,100
Sept			250
Oct.–Apr			60,000
Oct.–Dec			15,000
Total	1,550	100	266,107

1219 Exhibit #13–B.

Flaxseed Crushing Industry—June 24, 1920—Report No. 30–A.

Analysis of sales for week ending June 12, 1920, by individual volume of business zones and delivery dates (covering report #89–A.)

OIL MEAL.

[Figures in tons.]

Subscr. No.	Delivery.	Zone 1.	Zone 2.	Buffalo.	Zone unreported.	Total.
1	Prompt	11	5			16
2	No sales					
3	Prompt				195	
	June				210	
	June–July–Aug				720	
	July				30	
	July–Aug				820	
	Aug				30	
	Total				2,005	2,005
4	Prompt	31.5				31.5
5	Prompt	7				7
7	Prompt	40.15				40.15
8	No sales					
9	June	110				110
10	No sales					
11	Prompt		1.25			1.25
13	Prompt		4			4
14	Prompt			37		
	July			60		
	Total			97		97
	Total	199.65	10.25	97	2,005	2,311.90

1220 RECAPITULATION.

Subscr. No.	Tons meal.	Percentage.	Subscr. No.	Tons meal.	Percentage.
1	16	.0069	9	110	.0476
2			10		
3	2,005	.8673	11	1.25	.0005
4	31.5	.0136	13	4	.0017
5	7	.0030	14	97	.0420
7	40.15	.0174			
8			Total	2,311.90	1.0000

RECAPITULATION OF TOTAL VOLUME OF BUSINESS FOR WEEK ENDING JUN 12, 1920, BY ZONES AND DELIVERY DATES (COVERING REPORT #89-A).

OIL MEAL.

[Figures in tons.]

Delivery.	Zone 1.	Zone 2.	Buffalo.	Zone unreported.	Total.
Prompt	89.65	10.25	37	195	331.
June	110			210	320
June-July-Aug				720	720
July			60	30	90
July-Aug				820	820
Aug				30	30
Total	199.65	10.25	97	2,005	2,311.

1221 DEFENDANT'S EXHIBIT 20.

The first institution of its kind.

[Lettering on design:] Armstrong Bureau of Related Industrie whose products, manufactured, marketed, and sold in strict accor with a spirit of fairness to employee, competitor, and purchase need no greater surety of supreme quality.

WHAT IT DOES.

1222 The Armstrong Bureau of Related Industries, founded o the principle that American business can reach its highes development and perform its greatest service to the Commonwealt only through modern, cooperative methods—renders a professiona service by which competitive businesses attain maximum result through cooperation in the following factors:

Organization—
1. Creation of mutual confidence.
2. Development of ideals.
3. Consolidation.

Pertaining to marketing—
1. Statistics—
(a) Quotations.
(b) Sales.
(c) Shipments.
(d) Production.
(e) Terms.
2. Credits—
(a) Reports.
(b) Collections.
3. Distribution—
(a) Standardizing channels.
(b) Establishing bases.
(c) Salesman education.
(d) Jobber education.
(e) Dealer education.
4. Export—
(a) Markets.
(b) Selling.
(c) Tariff.

1223 5. Traffic—
(a) Classifications.
(b) Rates.
6. Market development—
(a) Field survey.
(b) Organizing channels.
(c) Merchandising.
(d) Cooperative advertising.

Pertaining to production—
1. Cost accounting.
2. Product.
3. Material—
(a) Supply.
(b) Standardization.
(c) Cooperative buying.
4. Labor—
(a) Supply.
(b) Wages.
(c) Control.

1224 Armstrong service insures intelligent competition.

[Design.]

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Eleven South La Salle Street, Chicago.

1225 DEFENDANT'S EXHIBIT 21.

[Copy.]

Flaxseed-crushing industry.

SEPTEMBER 8, 1920.

AMERICAN LINSEED COMPANY.
C. Rosenfels.
Our wire of this date.

1. Confirming our telegram of this date which read as follows:
"Cannot accept todays wire; telegraph us after price changes have been made giving your prices without regard other subscribers."
As you are aware, the bureau is not at liberty to accept or publish information concerning any prices that you may intend to ask, and it is therefore proper for you to wire us quotations only after they have been made.
2. A wire to the effect that you "are changing" your prices is out of order, as you can readily see.
3. In the present instance the proper way of reporting is to give your new prices (without regard to those of any other subscriber), following them, if you wish, with an explanation of why these prices were made, although that is entirely at your option as the service contract does not provide for an explanation as to reduction in price.
4. Upon receipt of this information properly transmitted we shall be glad to distribute it without delay.
CR:E"

1226–1227 DEFENDANT'S EXHIBIT 22.

PRICE DISCRIMINATION.

When a seller gives preferential prices to a few hand-picked buyers, all buyers should drop him like a hot penny. He is a destructive factor in business.

When a seller quotes a fair price uniformly to his entire trade with suitable discounts for quantity, he is fairly serving all buyers and represents a constructive factor in business.

All business consists of buying and selling; the unfairness of price discrimination must be universally recognized, either from a purely selfish standpoint or in the broader sense of its demoralizing effect on American business.

The elimination of "price discrimination" is only one of the constructive accomplishments of the lawful co-operative work of the Linseed Crushers' Industrial Council through the service of the Armstrong Bureau of Related Industries.

These manufacturers of linseed oil are continually working to improve conditions in their industry and increase their service to their trade and to the public.

Users of linseed oil will receive a comprehensive explanation of the co-operative activities of this group of manufacturers by writing for the book "Intelligent Selfishness a Business Builder," or a personal visit for the same purpose is cordially invited.

Call or write Linseed Crushers' Industrial Council, directed by the Armstrong Bureau of Related Industries, 11 La Salle Street south, Chicago, Illinois.

1228 DEFENDANT'S EXHIBIT 23.

ELIMINATION OF UNFAIR COMPETITION AN IMMEDIATE TASK FOR AMERICAN BUSINESS.

A New York manufacturer stated that it is quite common practice for bankers discounting his commercial paper or that of his competitors to call upon him for a statement of business conditions throughout the industry. It interested him to note their favorable reaction to his statement that through a system of lawful cooperation the industry had fairly stabilized its market and eliminated unfair merchandising practices.

It seems to be definitely proved that such a statement of facts has intimate bearing on the loan rate, and sometimes on the question of whether the paper should be handled at all.

Business prosperity is closely linked with credit, and here we find credit directly influenced by business cooperation.

The prosperity of the individual merchant and manufacturer is directly affected by the prosperity of his fellow merchants and manufacturers; whether they are competitors does not affect the argument.

The manufacturers of linseed oil, who are members of the Linseed Crushers' Industrial Council, through their cooperation, are correcting unsatisfactory conditions in their industry and delivering a substantial service to the public, to their trade, and to themselves.

Users of linseed oil will receive a comprehensive explanation of the cooperative activities of this group of manufacturers by

writing for the book "Intelligent Selfishness a Business Builder." A personal visit to the address below for the same purpose is cordially invited.

Call or write Linseed Crushers' Industrial Council, directed by the Armstrong Bureau of Related Industries, 11 La Salle Street south, Chicago, Illinois.

1229 DEFENDANT'S EXHIBIT 24.

OUR FORMULA FOR LAWFUL AND CONSTRUCTIVE CO-OPERATION.

Business men and the consuming public should recognize that lawful and constructive co-operation has nothing in common with "price fixing."

We believe the future prosperity of American business demands that lawful and constructive co-operation be instituted in all of our industries.

The unfair and unsatisfactory conditions which prevail in an unorganized industry impose an unjust burden upon the manufacturers and the trade of that industry.

No business institution can afford to shirk its share in the necessary co-operative "housecleaning" of its industry.

In an unorganized industry public service results can obtain only in a minor degree, through the unselfish efforts of possibly two or three manufacturers in the industry who have the disposition and power to deliver such results in their individual operations.

Organized under a lawful and constructive co-operative plan, an industry delivers full and complete public service.

The formula for the co-operation of the Linseed Crushers' Industrial Council provides that every feature of our work shall deliver equally at all times a service to the industry, the trade, and the public.

A comprehensive explanation of the co-operative activities of this group of manufacturers may be had by writing for the book "Intelligent Selfishness a Business Builder," which will be sent gratis, or a personal visit for the same purpose is cordially invited.

Address Linseed Crushers' Industrial Council, directed by the Armstrong Bureau of Related Industries, 11 La Salle Street south, Chicago, Illinois.

1230 Publications carrying this advertising:

Paint, Oil & Drug Review.
Painter and Decorator.
Drugs, Oils & Paints.
Oil, Paint & Drug Reporter.
Paint and Varnish Record.
American Paint Journal.

[Lettering on design:] Armstrong Bureau of Related Industries, whose products, manufactured marketed and sold in strict accord with a spirit of fairness to employee competitor and purchaser need no greater surety of supreme quality. 11 S. La Salle St., Chicago.

1231 DEFENDANT'S EXHIBIT 26.

Exhibit "B."

Armstrong Bureau of Related Industries whose products manufactured marketed and sold in strict accord with a spirit of fairness to employee, competitor, and purchaser need no greater surety of supreme quality.

1232 [Copy.]

Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

E

Market Letter No. 123—Official Business of Flaxseed Crushing Industry—December 4, 1918.

This market information is published under the terms of the open price plan in a legitimate effort to place subscribers individually in possession of facts essential to the intelligent conduct of their business.

DETAILED DESCRIPTION, FREIGHT ZONE MAP.

Subscribers will find attached detailed description of freight zones arranged approximately according to transportation costs.

Maps, of which this description is explanatory, are forwarded by same mail under separate cover and in accordance with the number requested by each subscriber in his reply to market letter No. 98, delivery zone maps.

1233 [Copy.]

Amended freight zones—Linseed oil, linseed meal, and oil cake.

The boundary lines of the freight zones are as follows:

Zone No. 1—

North: The northern line of the States of Minnesota and Wisconsin to the Michigan line and Michigan to the city of Manistique.

South: The southern line of the States of Missouri and Illinois.

East: The eastern line of the State of Michigan, west of Manistique and the eastern line of the States of Wisconsin and Illinois.

West: The western line of the States of Minnesota, Iowa, and Missouri.

This zone includes cities of Sioux Falls, South Dakota; Omaha, Nebraska, and Kansas City, Kansas.

Zone No. 2—

North: The north line of the State of Michigan east of Manistique, the north line of the States of Ohio and Pennsylvania to the

New York State line and New York to and including the city of Buffalo.

South: South by the southern line of the States of Indiana, Ohio, and West Virginia.

East: A line running south from and east of Buffalo, New York, to a point east of Pittsburgh, Pennsylvania, and the eastern line of the State of West Virginia.

West: The western line of the States of Michigan and Indiana. This zone includes Covington and Louisville, Kentucky.

Zone No. 3—

North: The northern line of the State of New York east of Buffalo and the north line of the States of Vermont, New Hampshire, and Maine.

South: The southern line of the State of Pennsylvania to the Maryland line and the southern line of the State of Maryland.

East: The eastern line of the States of Maine, New Hampshire, Massachusetts, Rhode Island, New York, New Jersey, Delaware, and Maryland.

West: The western line of the State of New York passing east of Buffalo, south through Pennsylvania to a point east of Pittsburgh, Pennsylvania, and the western line of the State of Pennsylvania from Burgettstown south.

1234 Zone No. 4—

North: The northern line of the State of Virginia west to King George, Virginia, a line from Callahan, Florida, west, thence in an irregular line from the northwestern corner of Florida through Georgia bearing south to New Orleans, Louisiana; thence west to and including Houston, Texas.

South: The southern line of the States of Florida, Alabama, Mississippi, Louisiana and Texas to a point west of Galveston.

East: The eastern line of the States of Virginia, North Carolina, South Carolina, Georgia, and Florida.

West: A line from King George, Virginia, south to and including Richmond, Virginia, east to and including Norfolk, Virginia, and thence following the coast line of the States of North Carolina, South Carolina, and Georgia inland far enough to include the Atlantic coast cities of these States and a line west of Houston, Texas, south to a point west of Galveston, Texas.

Zone No. 5—

North: The northern line of the State of Kentucky and the northern line of the State of Virginia to King George, Virginia, south in an irregular line from Convent, Louisiana, to a point north of New Orleans and thence northeast to the northwest corner of the State of Florida.

South: The southern line of the State of Alabama from Carney and the southern line of the State of Georgia to Baxter, Florida.

East: A line drawn from King George, Virginia, east of Richmond, Virginia, to a point east of Norfolk, Virginia, and thence

following an irregular coast line of the States of North Carolina, South Carolina, and Georgia far enough inland to cover the Atlantic coast cities of these States.

West: The western line of the States of Kentucky, Tennessee, and Mississippi, and a line from the southwest corner of the State of Mississippi following the Mississippi River to New Orleans, Louisiana.

Zone No. 6—

North: The northern line of the States of Montana and North Dakota.

South: The southern line of the States of Colorado and Kansas.

East: The eastern line of the States of North Dakota, South Dakota, Nebraska and Kansas, but omitting the cities of Sioux Falls, South Dakota; Omaha, Nebraska; and Kansas City, Kansas, which are in zone # 1.

West: The western line of the States of Montana, Wyoming, Colorado, and New Mexico.

1235 Zone No. 7—

North: The north line of the States of New Mexico, Oklahoma, and Arkansas.

South: The southern line of the States of New Mexico and Texas to a point west of Galveston, Texas; thence north to Houston and east to New Orleans, Louisiana.

East: The eastern line of the States of Arkansas and Louisiana to the northeast corner of Louisiana.

West: The western line of the State of New Mexico.

Zone No. 8—

North: The northern line of the States of Washington and Idaho.

South: The southern line of the States of California and Arizona.

East: The eastern line of the States of Idaho, Utah, and Arizona.

West: The western line of the States of Washington, Oregon, and California.

Zone No. 9—

Canada.

1236 [Copy.]

Armstrong Bureau of Related Industries, 11 South La Salle Street, Chicago.

E.

Market letter No. 154—Official Business of Flaxseed Crushing Industry—December 30, 1918.

This market information is published under the terms of the open price plan in a legitimate effort to place subscribers individually in possession of facts essential to the intelligent conduct of their business.

A FREIGHT ZONE CORRECTION.

Will subscribers kindly cross out the words "and New Mexico" from the description of the western boundary line of zone No. 6? This territory being included as described in zone No. 7.

1237

1238 [Blank.]

1239 DEFENDANT'S EXHIBIT 27.

FREIGHT RATE BOOK FOR LINSEED CRUSHERS' INDUSTRIAL COUNCIL.

When this question was first discussed, the bureau's inquiries for service covered a considerable field, and selection was finally made of the Lent Traffic Co., of Pittsburgh, Pa., as being particularly well equipped to give the required information with the utmost promptitude and in a reliable manner.

This company has been rendering traffic service to large industrial interests for twenty-five years, are regularly in touch with all sources of information, do a large business in freight auditing, and conduct cases before the various traffic commissions.

The proposition they have submitted would be to prepare freight sheets covering linseed meal and cake and linseed oil from three points of origin—New York, Buffalo, and Minneapolis—to 20 distributing points to be selected by the council and the supply of sufficient sheets for each subscriber. These sheets would give the carload freight for oil cake and meal per short ton (2,000 lbs.). The carload freight of oil in tank cars per 100 lbs. and per gallon to each distributing point, based on a weight of 7½ lbs. per gallon, and the same information on oil in cooperage, based upon a weight of 9 pounds per gallon. Freight sheets would be daily checked for changes to any one of the distributing points and new sheets issued immediately any change was advised and for every change made.

The supply of freight sheets would be sent to the bureau and be distributed through our daily distribution of market matter. The cost for such service, including the bureau's supervision, would be seven hundred and fifty dollars per year; this amount divided equally among the council would give them freight-sheet service at a cost of approximately $58.00 each per year.

Should it be decided to increase the number of distributing centers to 30, the cost would be $850.00 per year, or $65.50 annually for each subscriber, and further additions could be made at any time at an additional cost of $100.00 per year for each 10 additional distributing points.

1240 *Rates from Minneapolis, Minn.*

To.	Linseed oil meal.	Linseed oil in tank cars.		Linseed oil in barrels.	
	Rate in cents per 2,000 lbs.	Rate in cents per 100 pounds.	Rate per gallon, based on 7½ pounds per gallon.	Rate in cents per 100 pounds.	Rate per gallon, based on 9 pounds per gallon.
New York, N. Y.	690–780	60½	.04537	64	$0.0576
Buffalo, N. Y.	510	50 –39½	.0375	50 –42½	.045
Pittsburgh, Pa.	510	50 –39½	.0375	50 –42½	.045
Richmond, Va.	630–720	57	.0427½	60	.054
Charleston, S. C.	1,120	76	.057	76	.0684
Jacksonville, Fla.	1,120	76	.057	76	.0684
Atlanta, Ga.	1,120	99	.0742½	99	.0891
Birmingham, Ala.	1,120	99	.0742½	99	.0891
Cincinnati, Ohio.	490	46½–35½	.03487½	46½–38½	.0418½
Chicago, Ill.	250	19	.0142½	19	.0171
St. Louis, Mo.	330–350	20	.015	20	.018
Kansas City, Mo.	700	20½	.01537½	20½	.01845
Indianapolis, Ind.	430	40½–31	.03037½	40½–34	.03645
Houston, Tex.	2,010	82½	.06187½	82½	.07425
Fort Worth, Tex.	880–950	108–102	.081	108–102	.0972
New Orleans, La.	550	60	.045	60	.054
Seattle, Wash.	3,080	112½	.08437½	112½	.10125
		*112½	.08437½	[1] 112½	.10125
San Francisco, Calif.	3,380	*125	.0937½	[2] 125	.1125
Salt Lake City, Utah	1,800	119	.0892½	119	.1071

* Two rates are published on oil in tank cars. Lowest rate of 112½ should apply.
[1] Minimum weight, 45,000 lbs.
[2] Minimum weight, 30,000 lbs.
(Compiled by Lent Traffic Company, Pgh, Pa.)
Figures in black indicate discrepancies in rates published by the different carriers.

1241 DEFENDANT'S EXHIBIT 28.

[Copy.]

CHICAGO, *April 16, 1919.*

From: Julian Armstrong, Armstrong Bureau of Related Industries.
To: Dominion Linseed Oil Company, Baden, Ontario.
Subject: Cooperation between American and Canadian flaxseed crushers.

1. I desire to place before you a suggestion which could undoubtedly be worked out to afford a profitable return to your company and to the American crushers whom this bureau represents.

2. As you probably know, this country now has a law by which American manufacturers can agree on prices for export.

3. We also have a very substantial set of laws which forbid any such agreement on domestic prices.

4. In order to afford accurate market information of prices quoted for our domestic trade this bureau operates as a board of trade through which the various members of several of our industries report their daily quotations and sales, and this information is immediately relayed to all of the members of the industry so that each one has immediate and accurate market information covering all such quotations and sales. Naturally by this system competitors obtain a more or less stabilized market subject only to fluctuations necessitated by such peculiar business conditions as may obtain in the various plants.

5. We believe that such a service as this bureau affords, and which we have been affording for upwards of three years, is an absolutely necessary service because we do not believe that it is possible for any group of manufacturers to maintain an agreed price (even though such agreements were lawful in this country, which they are not) for any length of time, as such agreements can not be carried out under the law of business economics, and disappointment is bound to result.

6. One of our groups represents all of the crushers of flaxseed and it is in behalf of the interests of this group that we are writing you to learn whether or not it might be possible to exchange market information between these American crushers and the Canadian crushers so that our competition in those fields might be more intelligently conducted.

7. As it now stands, these American crushers are advised by the exporter and importer regarding such prices as your company and other companies are quoting, and naturally such information coming from the buyer is generally very unreliable indeed.

8. Speaking for the crushers here we can assure you that on the basis of an exchange of like information for like information we can keep you advised at all times of the prices being quoted into Canadian and other foreign markets for the American crushers,

and can go farther and supply you with complete sales information, in return for which we, of course, should have at all times similar accurate information covering the prices of your company.

9. Under our system of operation it does not obtain that with this information competitors are disposed to undersell one another; to the contrary, we have found that the market becomes fairly stabilized and naturally the sellers are immediately freed from the unfair tactics of the buyer who invariably represents that the competition is much below prices quoted.

10. To help you in the consideration of this suggestion for the institution of intelligent competitive methods between American and Canadian members of the industry we enclose a descriptive booklet of our organization; we also enclose what we call our "Service Index," which fully outlines the extent of the professional service which we render to our clients. All of this is submitted that you may visualize this organization and its operations in all of its substantialness.

11. On the opposite page we list the American manufacturers in your industry whom we represent.

12. May we anticipate an early reply from you? We assure you we are sincerely operating in your interests as well as those of our clients.

(Sent also to Canadian Linseed Oil Mills, Ltd., Montreal, Canada.)

1242 DEFENDANT'S EXHIBIT 29.

(Subdiv. 6 & 7, Art. V.)

[Copy.]

Market Letter No. 6—Flaxseed Crushing Industry—September 27, 1918.

IMPORTANT NOTICE AND ZONE PLAN FOR REPORTING MARKET INFORMATION.

The attached zone map—until revised—is to be used by you in reporting market information to the bureau in the following manner:

File at once a complete price list showing your last quoted prices on linseed oil in the territory of the zones drafted, with date of such quotations, and

(aa) Advise in the same report any and all zones in which you do not quote or market oil.

(bb) If you have made no recent quotations into any or all of these zones, then so advise and report immediately such quotations when you do make them.

B. Report in a like manner as provided in above paragraph "A" your quotations on "cake" and "meal."

Immediately with this filing that portion of the service contract from line 267 to 332, inclusive, becomes operative and you must be governed accordingly.

Weekly report of sales to start October first.

Use this zone plan to cover your report of sales as provided in the service contract line 323 to 338½, inclusive. Your first report is to be mailed not later than the night of October 7th and to cover October 1st to 5th, inclusive, and from then on as provided.

All other reports to become operative October 1st and remember your promptness is an important factor in the full measure service to all.

Use the following forms in reporting to the "bureau":

1. For reporting quotations: "We have this day made the following quotations, etc." (Giving full and complete information.)

2. Daily sales report: "We list herewith all of our carload sales for oil, cake, and meal for to-day and not previously reported to the 'bureau'." (Give full information, etc., or if no carload sales have been made then so advise.)

3. Weekly report of sales: "We list herewith a full and complete report of all of our sales for the week ending ——— and not previously so reported to the "bureau."

1000 gal. linseed oil into zone 1 @ price list of October 6th.
200 " " " " " 3 " " " " " "

(NOTE.—Date of price list reference to be that when reported to the bureau and if any oil is sold at less than your last reported prices then you must list such sales and report the special price at which such quantity was sold.)

1243 4. Reporting stock on hand: "We give herewith a true and accurate report of our stocks on hand of oil, cake, and meal not covered by sale or contract for the month ending October 31st." (Listing oil, cake, and meal accounts.)

Or, if no such stocks on hand, then advise:

"We have to report no stocks of oil, cake, or meal on hand not covered by order or contract."

Do not fail to ask questions on any points not clear.

The bureau will present at the next meeting forms for reporting all of this information and, if approved by the subscribers, these forms will be printed and furnished to each company in sufficient quantities.

1244 [Copy.]

(Subdiv. 12, Art. V.)

Market Letter No. 7—Flaxseed Crushing Industry—September 30, 1918.

FORM LETTER FOR THOSE WHO WISH TO USE IT ANNOUNCING THE INTRODUCTION OF TRADE ACCEPTANCES.

In accordance with the resolution at the meeting of the 17th (see paragraph #19), the bureau suggests the following form of announcement covering the introduction of trade acceptances:

GENTLEMEN: You are undoubtedly aware of the fact that progressive business men throughout the country are rapidly adopting the use of trade acceptances and that the giving of cash discounts is being generally abandoned.

The use of trade acceptances is now almost universally recognized as good business from the standpoint of both buyer and seller, while the item of cash discounts is regarded as an amount charged against the buyer.

The manufacturer is obliged to pay cash for practically every item entering into the production of linseed oil, consequently can not afford to give a cash discount on the sale of that product, nor can he afford to grant time on the invoice unless such extra cost is added to the price of the oil.

The leading linseed oil manufacturers of the country having carefully considered the recommendations of the National Association of Credit Men, have gone on record as favoring the issuance of trade acceptances and the elimination of cash discounts. We therefore feel that this progressive step warrants our support, just as we feel that upon careful consideration the plan will have your hearty approval.

This, then, is to advise you that, commencing November 1st, our carload terms on linseed oil will be sight draft against bill of lading, and on less than a carload we shall require 30-day trade acceptances with interest at 6%.

Our adoption of these terms is so apparently in line with present-day good business policy that our customers will accept the new conditions with full understanding and approval, and will also appreciate that this step is taken because we believe it will enable us to render increased service to our trade.

Very truly yours.

1245 [Copy.]

(Subdiv. 9, Art. V.)

Market Letter No. 102—Flaxseed Crushing Industry—November 23, 1918.

(Excerpts from minutes of meeting of November 13, 1918.)

29. The chairman took occasion to comment to the meeting on the lack of good business ethics on the part of the various subscribers

in the matter of making numerous special quotations and sales at a variance from their regular price lists as published to their trade, and recommended that the subject be given full discussion.

30. The general discussion that followed Mr. Warner's comments crystallized into the following resolution offered by Mr. Hirst, seconded by Mr. Ramsey, and unanimously approved by roll-call vote as follows:

30. Resolved, that it be the sense of the meeting that a practice of quoting special prices to preferred buyers by any subscriber who does not then extend similar advantages to his other customers is unfair merchandising, and any revision in any subscriber's price list shall be made to at once obtain for his entire trade and shall thus be immediately published by him.

1246 [Copy.]

(Subdiv. 6 & 7, Art V.)

Market Letter No. 142—Flaxseed Crushing Industry—December 23, 1918.

(Excerpts from minutes of meeting, December 16, 1918.)

23. The acceptance of the freight zones recommended was then taken up.

24. Mr. Quine advocated a return to the old custom of basing the subscribers' price lists on Minneapolis, suggesting that the services of a competent traffic man be secured to classify freight rates for the information of manufacturers and, in a way which would cover the various distribution or warehouse points on even figures only such rates being expressed as so much per gallon over Minneapolis base prices, all of this to be published as a freight traffic book for the use of the council members.

25. Mr. Quine's suggestion developed a general discussion of the whole matter, Mr. Kellogg reiterating his belief that the freight zone was really the fairest way to handle the whole matter in the case of both buyer and seller and with due regard to simplicity and directness.

26. In connection with the freight zone matter, specific reference was made to the apparent need for the correction of differentials as applied to Lincoln, Nebraska, and Memphis, Tennessee.

27. It was the sense of the meeting that Lincoln, Nebraska, should be temporarily regarded as a zone 2 point, carrying a differential of 1¢ per gallon over zone 1, while in order to equalize the Memphis situation that market should carry a 3¢ differential over zone 1.

28. As the lists of agents filed by the subscribers with the bureau indicate where substantial stocks are carried, the bureau was au-

thorized to secure the counsel of a competent traffic man for the survey of the matter and report at the next meeting with a tabulation of freight costs from Minneapolis to the various distributing centers.

37. The subject of terms for the sale of linseed oil was then brought up for further discussion at Mr. Kellogg's request. Mr. Kellogg's suggestion for a modification of the recommended terms to a basis of "30-day trade acceptance of the note, or 1% discount for cash in 5 days from date of invoice to apply on all quantities" was the basis for the discussion.

38. The various features of "buyer inconvenience" attendant upon sight draft collection were brought out and the benefits of the terms now commonly prevailing were discussed in the light of their operation.

39. This discussion proved of interest and benefit to all and, in order to express the sense of the meeting regarding the whole subject, Mr. Ramsey moved that the present recommended terms stand approved until next meeting. This was supported by Mr. Leffingwell and a roll-call vote carried the approval of all council members excepting National Lead Company and Spencer Kellogg & Sons, Inc.

1247 [Copy.]

(Subdiv. 12, Art. V.)

Market Letter No. 276—Flaxseed Crushing Industry—February 20, 1919.

INQUIRY REGARDING SUBSCRIBER #1'S PRICE FOR FT. SMITH, ARK.

To AMERICAN LINSEED COMPANY:

Will you kindly reply promptly and fully through the bureau to the letter published below?

BUFFALO, N. Y., *February 19, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Quotation report #28, Subscriber No. 1.

GENTLEMEN: We note from the price list as now filed by Subscriber No. 1 under date of February 14th, that their price for Ft. Smith, Ark., is $1.49¼, notwithstanding that this point is located in zone #7 which, according to their own price list, is $1.51 cooperage car lots direct shipment.

The purpose of this letter is to ascertain if there has been any special consideration made covering the point in question.

Yours truly,

SPENCER KELLOGG AND SONS, INC.
(Signed) V. H. HUNTER,
General Sales Manager.

1248 [Copy.]

(Subdiv. 6 & 7, Art. V.)

Market Letter No. 294—Flaxseed Crushing Industry—February 27, 1919.

REPLY TO MARKET LETTER #276, INQUIRY REGARDING SUBSCRIBER #1'S PRICE FOR FT. SMITH, ARK.

NEW YORK, *February 24, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In reply to your market letter No. 276, we have made an exception with respect to Ft. Smith, Arkansas, just as we have made an exception in the case of Memphis and Lincoln, Nebraska.

Yours very truly,

AMERICAN LINSEED COMPANY.

(Signed) F. K. QUINE,
Manager Oil Sales Dept.

1249 [Copy.]

(Subdiv. 10, Art. V.)

Market Letter No. 558—Flaxseed Crushing Industry—June 21, 1919.

REPLY TO MARKET LETTER #553—REOPENING THE SUBJECT OF SPECIAL SALES OF MAY 15 AS PER SPECIAL SALES REPORT #17.

(See market letter #512.)

MINNEAPOLIS, MINN., *June 19, 1919.*

From: Midland Linseed Products Co.
To: Armstrong Bureau of Related Industries.
Subject: Special sales, market letters #512 & 553.

1. There are circumstances under which any crusher may wish to maintain prices above the general market. It is also possible, under the circumstances, that such subscriber may wish to accept certain business that is offered at competitors' prices. There may be circumstances which would warrant that crusher in accepting the business at competitors' prices, although it might appear to him as being a sacrifice. We see nothing in such transactions that does not conform to good business practice nor does it appear to us that these transactions would have an undesirable effect on the work of the Armstrong Bureau.

2. If such special sales are not permitted, the remedy for the crusher is to ask higher prices through his selling agents and main-

tain a filed price list with the bureau which is in line with competitors' prices. In our opinion this would be very undesirable, as such filed price lists would give the subscribers a false impression regarding the actual price quoted by the crusher and if generally followed would make the information furnished by the bureau entirely worthless.

The practical effect of such reporting, we believe, is well illustrated by the prices now on file with the bureau applying to oilmeal and oil cake. The prices now on file with the bureau generally range from $58.00 to $65.00, whereas no subscriber for several weeks has reported sales except at prices many dollars per ton above these filed prices.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

CHICAGO, *June 21, 1919.*

Subscriber: Midland Linseed Products Co., Mr. A. L. Bisbee, secretary.

From: Julian Armstrong, Armstrong Bureau of Related Industries.

Subject: Special sales market letters #512 & 553.

1. It hardly seems to us that your letter of June 19th covers the particular case in point, as the special sales in question were made at a reduction from your last price list and you have approached this question only from the standpoint of sales made at higher prices than those last filed.

2. It is true that a point of argument can be made from such an approach, but it is reasonably certain that only small quantities would change hands at higher prices than prevailing market prices. Therefore such sales are reasonable and hardly come within the reasoning of our resolution.

1250 "It was the sense of the meeting that a practice of quoting special prices to preferred buyers by any subscriber who does not then extend similar advantages to his other customers is unfair merchandising and any revision in any subscriber's price list shall be made to at once obtain for his entire trade and shall thus be immediately published by him."

3. To reply to your second paragraph: It is perfectly permissible for any council member to make such special sales or any other sales that he may see fit as the only obligation under the contract is that he report such deviations through the bureau immediately.

4. The suggestion on oilmeal and oil cake is, we think, hardly analogous, as the market conditions for the sale of these products are entirely different from that which obtains on linseed oil.

5. Your letter as well as this reply is being bulletined in market letter #558 to-day.

(Signed) JULIAN ARMSTRONG.

1251 [Copy.]

(Subdiv. 2, Art. V.)

Market Letter No. 573—Flaxseed Crushing Industry—June 30, 1919.

PLAN TO SECURE AN ANSWER FROM THE TRADE ON A POLICY OF MERCHANDISING OIL ON A POUND RATHER THAN A GALLON BASIS.

All subscribers please reply.

Quoting the action taken at the last council meeting:

"Moved that all council members shall in the interim between this and the next meeting make a thorough canvass of their trade on the desirability of changing the selling measure of oil from its present gallon basis to a pound basis and come prepared at the next meeting to take action on this question,"

the bureau believes this matter could better be handled if the inquiry was made to the trade by means of a printed card sent out in the name of the council; and we further believe that the system suggested would secure substantial information on which to base a decision at the next meeting.

These cards could be enclosed in the various council members' mail to their trade, and we believe the question is of sufficient importance so that the return of the card, fully filled out, would be reasonably assured.

These cards, as per the copy below, could be of the exact size indicated, and where several council members wish to place their orders jointly for the printing the plates could be so used by them.

The bureau is of the opinion that local printing would be more economical, and would therefore supply zinc plates of this matter if it was elected to use the same.

Kindly reply by return mail, and we will then advise you of the decision of the council.

SUGGESTED CHANGE IN MERCHANDISING LINSEED OIL.

(See page #2 for text for this space.)

We vote:

Yes.

No.

Signed_____

Address_____

(See remarks on reverse side.)

1252 The text for the card:

For some time the Linseed Crushers' Industrial Council, of which our company is a member, has been conducting a work for the betterment of the conditions in the industry which impose unfair burdens on manufacturer, distributor, and consumer.

The council has now under consideration a question of a substantial change in the merchandising policy of linseed oil—that is, changing the unit price of oil from a gallon to a pound basis.

This change would mean that linseed oil would be quoted at so much per pound, and no recognition given to the gallon measure.

As you know the majority of vegetable oils are now sold on this pound basis and in order that the council may have the advantage of full and complete expressions from its trade on this subject before making this change in policy, will you kindly register your vote by making a check opposite "yes" if you recommend the change, and opposite "no" if you do not?

Do not fail to note on the back of this card before mailing the same to us substantial reasons for your decision.

We thank you for your co-operation in this matter in behalf of the interests of the industry.

1253 [Copy.]

Market Letter No. 605—Flaxseed Crushing Industry—July 18, 1919.

All other subscribers please reply:

COMMENTS BY TWO COUNCIL MEMBERS ON MARKET LETTER #587—A TIME WHEN SELLING AT COST MIGHT REPRESENT NOT ONLY A NEEDED SERVICE TO THE PUBLIC BUT A DESIRABLE SERVICE TO THE INDUSTRY AS WELL.

The bureau is publishing herewith the only two replies received so far which make any substantial comment in reply to the above market letter.

It would seem that this matter is of sufficient importance that we might expect an expression from all of the council members on the same.

If you have not already written the bureau we should like to have you freely unbosom yourself in any way bearing upon the point in question.

MINNEAPOLIS, MINN., *July 9, 1919.*

From: Archer-Daniels Linseed Co.

To: Armstrong Bureau of Related Industries.

Subject: Your market letter No. 587.

We note all you say about the most unusual prices for linseed and linseed oil, with the inquiry on your part, as we understand it, if anything can be done to make the situation less of a burden to the consumers of linseed oil.

This is a subject of great enough importance to crushers generally to call a special meeting of the council members. In our own case nearly all the oil that we can possibly turn out this month and well into August is due to our customers on contract, and the price far below the present cost to produce, but we would be quite willing to show to the consumer that we are ready to run our mills for a reasonable length of time turning out to the consumer linseed oil at cost to produce. This could be fairly well arrived at by having crushers agree on a working down figure and, of course, the market prices of seed each day; the price per bushel, should show very nearly the cost to produce and we believe that for sometime the crusher has been selling linseed oil each day for less money than it cost him to produce from seed purchased that day.

If one or more crushers are long a lot of seed on which they have enormous profit, they are certainly entitled to great credit if they are quoting and selling this oil for less than it would cost them to replace it from seed purchased at the same time, but it has appeared to us at times that quotations have been sent out for oil at less than cost to produce and that orders would not be accepted for early delivery, at any rate at these quotations. This has caused great dissatisfaction because agents would state that competing crushers were quoting less than our price, and we have been at some loss because an occasional agent has taken the liberty to meet quotations.

Conditions are certainly very unsatisfactory to the producer and consumer of linseed oil and we are not sure that a meeting of crushers could straighten them out. You are aware, no doubt, that for sometime Argentine seed prices have been higher than ours and we believe the sharp advances in our market have been largely caused by a continued short interest, and even now the farmers with growing crops who made legitimate sales against their expected October seed, are having the life squeezed out of them in calls for margins.

Very truly yours,

ARCHER-DANIELS LINSEED CO.

1254 BUFFALO, N. Y., *July 10, 1919.*

To: Armstrong Bureau of Related Industries.
From: The Mann Bros. Co., J. A. Mann, president.
Subject: A time when selling at cost might represent not only a needed service to the public, but a desirable service to the industry as well.

1. Replying to your letter of July 8th with reference to the above subject. The linseed-oil industry is on an unfortunate basis, due to the excessively high prices, and will be likely to suffer from it later on; but it hardly seems that anyone in particular is to blame. It is simply a peculiar condition arising out of war effects coupled with very short crops of seed. It would be next to impossible for crushers to offer linseed oil at materially lower prices in any quantity. They have not got the oil; and, even at present excessive prices, many buyers are refused.

2. If anything can be done to lower the prices of seed on the next crop, it would meet, we are very certain, with approval. It would be well for the council at its next meeting to take up the subject. It might be possible to adopt a course that would result in lower prices for seed. Again, we repeat, the situation is most undesirable and unfortunate for the industry.

Yours truly,

THE MANN BROS. CO.
(Signed) J. A. MANN, *President.*

1255 [Copy.]

Market Letter No. 618—Flaxseed Crushing Industry—July 23, 1919.

TWO ADDITIONAL REPLIES TO MARKET LETTER #587—A TIME WHEN SELLING AT COST MIGHT REPRESENT NOT ONLY A NEEDED SERVICE TO THE PUBLIC BUT A DESIRABLE SERVICE TO THE INDUSTRY AS WELL.

(See also market letter #605.)

NEW YORK, *July 21, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Illinois.

GENTLEMEN: Unfortunately market letter #587 was put in the files without having been seen by the writer.

We think that you wrote this letter without having any information as to replacement costs and that a glance at the actual facts would have made it unnecessary to have written it.

On July 8th the cash flax market was $5.76; our price was $2.10 in car lots Minneapolis. Cost of replacement on the basis of market according to our figures was $2.05 a gallon.

On July 11th cash flax market was $6.18. On this basis cost of replacement was $2.17 per gallon and our price was $2.15 Minneapolis.

On July 18th cash flax market was $6.01; on this basis replacement was $2.11 per gallon, our price $2.15 Minneapolis. We do not think that we could be criticised on the basis of these figures.

We also criticise your viewpoint when you say in the fifth paragraph "that it is quite probable that the present abnormally high market for flaxseed is somewhat due to speculation on the part of the crushers."

We can see no evidence that the present high price of flaxseed has been due to any speculation on the part of crushers. Indications are that this condition has been brought about by speculation outside of legitimate channels.

Yours very truly,

AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINZ,
Manager, Oil Sales Dept.

MINNEAPOLIS, MINN., *July 19, 1919.*

From: Midland Linseed Products Co.
To: Armstrong Bureau of Related Industries.
Subject: Your market letters Nos. 587 and 605.

1. We are in full sympathy with the motives which lead you to discuss the question of prices at this time. We desire to follow a broad merchandising policy and as far as possible lend our assistance to all of the linseed oil consuming trades. We, as well as other linseed crushers, recognize that the industry owes certain public obligations which should be carried out as far as possible. No doubt the stabilization of prices at this time is such an obligation. With the practical points in your letter we find it difficult to reconcile ourselves.

2. If the paint manufacturer can not afford to pay present prices for linseed oil, we think anyone familiar with the paint industry will agree that the few cents per gallon maximum profit that the linseed oil crusher receives will be of but very little assistance to him. As far as the United States is concerned, the present price of linseed oil is not due to abnormal demand caused by conservation during the war period. On the contrary, the consumption for this 1256 crop year is below the normal consumption of pre-war years.

The present predicament of the paint manufacturer in the United States is due to his lack of foresight and failure to purchase linseed oil during the period November to March, at which time he was urgently advised to buy by nearly every linseed crusher. As a consequence crushers were obliged to postpone purchasing their import requirements until a famished Europe became a competitor in the foreign linseed markets with the resultant higher prices that exist to-day. Speculation on the part of American linseed crushers has been no factor in the advance. We believe there has been no speculation on the part of such crushers except in so far as they were obliged to provide seed requirements in the early part of this crop year against which they were unable to make any linseed oil sales. Such importations have had no adverse effect on the linseed oil consumer, but on the contrary have, to some small extent, operated to retard the advance in linseed oil prices in this country. Admitting that it is very undesirable to encourage the use of substitutes for linseed oil, it must be evident to everyone that under the existing conditions it is quite impossible for the linseed crusher to take any measures which will have any effect on the use of soya bean oil at $1.30 per gallon as a substitute for linseed oil at the present time.

3. It appears to us that the linseed crushers, the paint industry, and all other linseed oil consumers are facing an economic tide which it is quite useless to resist. The paint manufacturer may as well learn to base his prices on the cost of the materials he uses. The assistance that the linseed oil crushers are able to give them would be of but very little service under conditions existing to-day. If the linseed oil crushers supply the linseed oil consuming trade in this country

they must compete with European buyers in the linseed markets of the world. It seems to us that it is purely a question whether the consumers prefer to have linseed oil at the present high price or prefer to go without.

Yours truly,

MIDLAND LINSEED PRODUCTS CO.

1257 [Copy.]

Market Letter #635—Flaxseed Crushing Industry—July 29, 1919.

ANOTHER REPLY TO MARKET LETTER #587—A TIME WHEN SELLING AT COST MIGHT REPRESENT NOT ONLY A NEEDED SERVICE TO THE PUBLIC BUT A DESIRABLE SERVICE TO THE INDUSTRY AS WELL.

(See also market letters #605 and 618.)

TOLEDO, OHIO, *July 26, 1919.*

From: The Toledo Seed & Oil Company, Toledo, Ohio.
To: The Armstrong Bureau of Related Industries, Chicago, Ill.
Subject: A time when selling at cost might represent not only a needed service to the public but a desirable service to the industry as well.

We have read with a good deal of interest your letter on the above subject.

It is without question a subject that is not only worrying the manufacturers and consumers of linseed oil, but the manufacturers and consumers of practically every other product.

There are two sides to the question, that is, the manufacturers' side and the consumer's side. So far as the consumer is concerned he is not interested in the question of whether the manufacturer makes money, loses money, or breaks even, so long as he is able to purchase his linseed oil at what he thinks is a reasonable figure. So far as the manufacturer is concerned, he is anxious certainly to furnish the consumer with his linseed oil at the lowest possible price, which, at the same time, allows him a reasonable margin of profit, but not a loss.

Now, what is a reasonable price for oil and what is a reasonable profit are relative matters. All commodities are high at the present time. What six months ago would have been considered a high price would to-day be considered very reasonable. What to-day is considered a reasonable profit, based on prevailing high costs, would have been considered two years ago excessive. We doubt very much whether the manufacturing of oil to-day at actual cost or even at a loss would solve the problem. As a matter of fact, we are facing the inevitable law of supply and demand.

Now, if the crushers could secure their seed at $1.00 or $2.00 per bushel less than they are paying at the present time, the price of oil would automatically drop with the price of seed, and to a price which all would admit to be reasonable in comparison with other commodities. Reducing the price of seed by any legitimate or legal means, without other commodities which the farmer buys being likewise reduced, would create considerable antagonism on the part of the farmers, discourage the raising of flaxseed, and ultimately result in our having higher linseed prices than we have at the present time.

However, if it is possible to accomplish anything along the lines suggested it would seem to us a better policy to attempt, at least, to purchase our flaxseed at a reduced price, eliminating as much as possible any unnecessary expense between the producer and the consumer.

It is possible that if the element of speculation were removed from the flax market the farmer would get just as much for his seed and at the same time it would reach the crusher at a very much less figure.

1258 This point undoubtedly will be touched upon by others more experienced in that end of the game.

It certainly is a subject well worth the serious consideration of the council and undoubtedly will be thoroughly discussed at the next meeting.

Yours, very truly,

THE TOLEDO SEED AND OIL COMPANY,
(Signed) GEO. A. VRADENBURG, *Vice Pres.*

1259 [Copy.]

(Subdiv. 2, Art. V.)

Market Letter No. 852—Flaxseed Crushing Industry—October 23, 1919.

MEETING OF LOCAL EXECUTIVES IN THE LINSEED-OIL INDUSTRY FROM BUFFALO, CLEVELAND, DETROIT, TOLEDO, AND PITTSBURGH, HELD IN CLEVELAND ON TUESDAY, OCTOBER 14TH.

Report of this meeting has been delayed because of the writer's absence from the office.

The meeting was attended by the following individuals representing the companies and crushers named:

Homer D. Butts, The Grove Linseed Oil Co., Pittsburgh, Pa.; Edward Brankin, American Linseed Co., Detroit, Mich.; F. S. Elder, American Linseed Co., Buffalo, N. Y.; Mr. McGean, American Linseed Co., Cleveland, Ohio. American Linseed Company.

Marshall Coxe, Archer-Daniels Linseed Co., Buffalo, N. Y.; A. D. Grace, The Housum-Grace Co., Cleveland, Ohio; Mr. Gardner, The Housum-Grace Co., Cleveland, Ohio; G. A. Vradenburgh, Toledo Seed & Oil Co., Toledo, Ohio. Archer-Daniels Linseed Company.

D. C. Wilson, The Chas. R. Sargent Co., Cleveland, Ohio. Mann Bros. Co.

James Forrester, Midland Linseed Prod. Co., Pittsburgh, Pa.; Al. A. Reineck, The John W. Thatcher Co., Toledo, Ohio; E. R. Smead, E. R. Smead Co., Cleveland, Ohio. Midland Linseed Products Co.

J. J. Tanyan, Pittsburgh Plate Glass Co., Cleveland, Ohio. Red Wing Linseed Oil Co.

E. E. Stahl, The Sherwin-Williams Co., Cleveland, Ohio; Earl L. Hess, The Sherwin-Williams Co., Cleveland, Ohio; Geo. Dube, The Sherwin-Williams Co., Cleveland, Ohio. The Sherwin-Williams Co.

V. H. Hunter Spencer Kellogg & Sons, Inc., Buffalo, N. Y.; W. B. Leslie, Spencer Kellogg & Sons, Inc., Buffalo, N. Y.; J. A. Miller, Spencer Kellogg & Sons, Inc., Detroit, Mich.; Geo. F. Smith, Spencer Kellogg & Sons, Inc., Pittsburgh, Pa. Spencer Kellogg & Sons, Inc.

The writer opened the meeting with the statement that it was the wish of the various crushers that the representatives in each territory should secure a thorough knowledge of what the council was and was not doing through the operations of this service.

He spoke at some length on the details of the work and dwelt upon its effect on the various factors in distribution, starting with the representatives of the crushers and so on through the jobbers, dealers, and consumers of the product. Particular emphasis was laid on the fact that the service was of public benefit and that there was nothing in its operation which could not be freely discussed. He suggested to the representatives, however, that such discussion should be predicated upon an accurate knowledge of the service, as it is very easy to create a false impression as to some features of the work.

It was apparent from the first that the men were intensely interested in every detail, some of them making notes as the points were brought out, in order to ask questions later.

1260 At the conclusion of his explanatory remarks the writer urged those present to a full and free discussion of the subject, and requested particularly that there be no hesitancy in asking the most intimate questions as to the bureau's operations or the procedure of the council. The tenor of these questions proved that the men had a splendid grasp of the ideals and operations of the service, and thoroughly appreciated the meeting and its purposes.

After a considerable number of questions had been asked and answered, one of the representatives asked if it would be permissible for the meeting to make suggestions as to the best methods for getting the most out of the service. The writer replied that he was quite sure the crushers would be glad to have the viewpoint of the representatives, and a discussion of several phases of the work here

took place. It was brought out very clearly that it would be a serious breach of business ethics and honor for the representatives to abuse the information received from their respective principals. It was unanimously the sense of the meeting that no such advantage would be taken and that all present would play absolutely fair in this respect.

A suggestion was made that the council consider the question of resale of oil, as the present condition is not altogether satisfactory.

It was also brought out that some of the representatives found the weekly sales reports useful and that they would like to continue to receive them.

The meeting expressed the unanimous opinion that further meetings would be desirable, with the possibility that gatherings of those representatives in each of the cities concerned might be preferable to a meeting in which representatives from several districts participated.

Upon conclusion of this discussion a rising vote of appreciation was tendered to the council and the bureau for a meeting, with the added suggestion that the work be continued as a vital factor in meeting conditions in the industry.

JULIAN ARMSTRONG.

1261 [Copy.]

(Subdiv. 2, Art. V.)

Market Letter No. 853—Flaxseed Crushing Industry—October 23rd, 1919.

MEETING OF THE LOCAL EXECUTIVES OF THE LINSEED-OIL INDUSTRY IN BOSTON, PHILADELPHIA, BALTIMORE, WASHINGTON, AND RICHMOND, HELD IN NEW YORK, OCTOBER 16.

This report of a most constructive and interesting meeting is somewhat delayed because of the fact that the writer has only recently returned to these offices, and as no record other than his personal notes were kept, it has been impossible to report the meeting before now.

The following individuals represented the companies named:

George M. Harding, Grove Linseed Oil Co., Philadelphia; William H. Ingram, American Linseed Co., Boston; R. G. Pendleton, American Linseed Co., Baltimore; F. K. Quine, American Linseed Co., Boston; A. C. Young, American Linseed Co., Richmond. American Linseed Company.

E. C. Clements, Archer-Daniels Linseed Co., Minneapolis; H. M. Clements, Archer-Daniels Linseed Co., New York; L. L. Clements, Archer-Daniels Linseed Co., Philadelphia; William Graham, A. L.

Webb & Sons, Baltimore; N. S. Wilson, N. S. Wilson Company, Boston. Archer-Daniels Linseed Company.

Harrison Smith, Geo. P. Morgan & Co., Philadelphia. Wm. O. Goodrich Co.

Robt. E. Graham, The E. R. Smead-Graham Co., Philadelphia; Jas. Corner Hiss, Jas. Corner & Sons, Baltimore; G. H. Tomlinson, Midland Linseed Prod. Co., New York. Midland Linseed Prod. Company.

Leonard T. Beale, John T. Lewis & Bros. Co., Philadelphia; G. B. Beitzel, John T. Lewis & Bros. Co., Philadelphia; Henry G. Sidford, National Lead Company, New York. National Lead Company.

Alfred S. Day, Spencer-Kellogg & Sons, Baltimore; Alfred L. Hall, Spencer-Kellogg & Sons, Boston; F. L. Medbery, Spencer-Kellogg & Sons, New York; Mr. Keefe, Spencer-Kellogg & Sons, Philadelphia. Spencer-Kellogg & Sons.

W. B. Cassell, Mann Bros. Company, Baltimore; Henry R. Dowdy, Dowdy Brothers, Philadelphia. Mann Bros. Company.

The writer opened the meeting with a complete description of the operations of the council under the bureau's service, showing quite clearly what this council was attempting to do and what it was not attempting to do.

I was greatly impressed with the caliber of men represented and I was further impressed with the very substantial interest which they took in the entire session.

After this preliminary description of the service the meeting was thrown open to a general discussion, which I purposely directed more toward the ethics of good salesmanship and how in observing such ethics the work of the council could be given the moral support of the men in the field, which was absolutely vital to its success.

There were a number of "reported quotations" which were at variance with the council members' filed prices at the time such quotations were reported to have been made, which were fully and completely cleared.

1262 There was a further and somewhat lengthy discussion of a problem which confronts the industry through the operations of brokers who are not identified as agents of the council members and who from time to time are in position to handle large quantities of resale oil.

There were many points in this discussion which the writer suggested that Messrs. Nolan and Quine, both present at this meeting, bring up for discussion at the next council meeting.

I cannot help but feel that this meeting will prove to be a most productive one, and that it should be followed up by meetings with the local executives in each of these different cities, where the little differences and questions which are pertinent to those local markets can in this way be thoroughly thrashed out and a spirit of friendly cooperation developed to the fullest possible extent.

JULIAN ARMSTRONG.

1263 [Copy.]

(Subdiv. 2, Art. V.)

Market Letter No. 937—Flaxseed Crushing Industry—November 17, 1919.

MEETING OF LOCAL EXECUTIVES IN THE LINSEED OIL INDUSTRY FROM CINCINNATI, INDIANAPOLIS, DAYTON, AKRON, COLUMBUS, AND LOUISVILLE, HELD IN CINCINNATI ON WEDNESDAY, NOVEMBER 12TH.

A very interesting meeting of local representatives in the territory in and around Cincinnati, was held on Wednesday, November 12th, at the Hotel Sinton with the following in attendance:

August Hoffmann, American Linseed Co., Indianapolis, Ind.; C. A. Tabb, American Linseed Co., Cincinnati, Ohio. American Linseed Company.

Edw. D. Evans, Archer-Daniels Linseed Co., Indianapolis; C. E. Ginn, Archer-Daniels Linseed Co., Cincinnati; L. D. Shearer, Archer-Daniels Linseed Co., Indianapolis. Archer-Daniels Linseed Company.

James M. Donald, Mann Brothers, Louisville, Ky. Mann Brothers.

C. M. Durbin, Midland Seed Prod. Co., Cincinnati, O.; L. Loy, Loy Zangmaster Co., Columbus, O.; C. A. Stephenson, Midland Linseed Prod. Co., Louisville, Ky. Midland Linseed Prod. Co.

W. W. Haynes, Sherwin-Williams Co., Cincinnati, O. Sherwin-Williams Company.

R. Leslie, Spencer-Kellogg & Sons, Inc., Cincinnati; E. T. Shaneberger, Spencer-Kellogg & Sons, Inc., Indianapolis. Spencer-Kellogg & Sons, Inc.

Upon convening the meeting at 2.20 p. m. the bureau's representative explained its purpose and went into more details as to those features of the service which had not been clearly understood by the field representatives.

Particular emphasis was laid upon the fact that while there is nothing to conceal in the operations of the council and every effort should be made to meet the questions of the buyers fairly and frankly, it is at all times desirable for the representatives of the crushers to be certain that the impression given is a correct one.

It was brought out that much good could be accomplished by a clear-cut, accurate representation of what the service is and what it does but that a false impression might create difficulties.

It was suggested that in case there was any doubt in the representative's mind on any question asked by the buyer, he should request permission to put that question up to the Armstrong Bureau for reply, as it is part of the bureau's service to educate the buyers, answers their questions, and show them the machinery of operation if they are sufficiently interested to call at the bureau's offices.

The representatives asked some very constructive questions and expressed themselves as well pleased with the opportunity to learn more of the service. Following the explanation and the questions

attendant thereon, the meeting was thrown open for discussions, with a suggestion that the representatives express themselves freely on topics of general interest.

1264 It was the consensus of opinion that there were various practices which could well be the subject of consideration by the Linseed Crushers' Industrial Council. It was unanimously agreed that one of these was the matter of loaning oil from local warehouse stocks. In other words, if a buyer has a carload contract and does not receive the shipment in time to be of service to him, there has been a practice in some cases of drawing the necessary quantity from a local warehouse and returning the oil thus drawn to the warehouse when the contract shipment arrives. It was the expressed sense of the meeting that this was not a good merchandising policy.

Another matter upon which there was some difference of opinion was the question of a differential covering deliveries of less than five barrels of raw or boiled oil, the point being raised that delivery on very small quantities (less than five barrels) undoubtedly penalizes the crusher and to a certain extent interferes with the proper functioning of the jobber. This question applies only to the jobbing business.

In the course of explaining the service, the bureau's representative had made the point that it was of direct benefit to the consumer, the jobber, and the salesman or broker of the crushers.

The question was here asked as to the effect of the service upon the remuneration of the brokers. The chairman stated that this was, of course, a matter for individual adjustment, and the point was made by some of the representatives present that since the number of barrels sold could not be increased and since the commission paid was in the form of a fixed sum per barrel there did not seem to be much opportunity for the broker or salesman to increase his remuneration.

There was some discussion and difference of opinion on this point, although the majority of those in attendance felt that it was a legitimate issue to raise with the council.

The meeting adjourned at 5.15 p. m., the representatives unanimously expressing themselves as being in thorough sympathy with the work of the council and with the broader understanding they had gained of the service.

1265 [Copy.]

(Par. 1, Art. V.)

Market Letter No. 1176—Flaxseed crushing industry—January 16, 1920.

THE BOOK "INTELLIGENT SELFISHNESS A BUSINESS BUILDER" AND THE USES TO WHICH IT IS BEING PUT.

In the interest of the council's work, the bureau believes it desirable to place before the individual members, and the council as a

whole, the many benefits to be derived from the book "Intelligent Selfishness a Business Builder," a copy of which has already been sent you.

In one industry we are serving it has been decided to distribute a copy of this book to every purchaser of the product of that industry, and this work is already under way.

It will be recognized that by placing this book in the hands of the buyers of the products of an industry cooperating under this service those buyers are afforded a clear insight into and a thorough understanding of the operations of the manufacturers thereunder, which will unquestionably prove of constructive value not only in correcting erroneous impressions and dispelling false rumors but in demonstrating the public-service efforts of those manufacturers.

You will also recognize that this book placed in the hands of salesmen and distributers will greatly augment the work which the bureau is doing in bringing these representatives to a thorough understanding of the operations of this service.

As this book is designed to serve our clients in the above manner, it is being marketed at actual cost, and we can therefore supply copies in any quantity—including packing and mailing—at one dollar per copy.

Will you not give this suggestion your earnest consideration and assist the bureau in serving your interests in this matter?

1266 [Copy.]

Market Letter No. 1187—Flaxseed crushing industry—January 19, 1920.

QUESTION AS TO SUBSCRIBER #3'S REPRESENTATION IN CHICAGO.

Subscriber #3 please reply.

NEW YORK CITY, *Jan. 16th, 1920.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: In looking over the list of middlemen connections we do not find that Archer-Daniels Company have designated their agent or any agent at Chicago, and we are somewhat curious to know on what basis and through whom they market their oil at that point.

Yours, very truly,

(Signed) F. K. QUINE,
Manager, Oil Sales Dept.

1267 [Copy.]

Market Letter No. 1199—Flaxseed Crushing Industry—January 21, 1920.

COMMENT ON MARKET LETTER #1187—QUESTION AS TO SUBSCRIBER #3's REPRESENTATION IN CHICAGO.

In view of the following communication the bureau has reviewed market letter #1187 which we published without question and we agree with Mr. Hirst that Mr. Quine has not shown diplomacy and confidence in his council members in the letter he has written.

CHICAGO, ILL., *January 20, 1920.*

To: Armstrong Bureau of Related Industries, Chicago.
From: Hirst & Begley Linseed Co.
Subject: Market letter No. 1187.

This letter impresses me as being a piece of rank impertinence on the part of the inquirer, particularly as no specific transaction is mentioned as a reason for making the inquiry. However, if the Armstrong Bureau exists for the purpose of satisfying the curiosity of its larger members to the discomfiture of the smaller ones, we are not in sympathy with it. I take issue with the bureau for lending itself to the circulation of any letter that so unmistakably bears the stamp of insincerity as No. 1187.

Subscriber No. 1 knows well enough just what the relation is between the A. D. Co. and the Chicago market. If the A. D. Co. was directly represented here by a middle man, they ought to have and undoubtedly would have reported it to the council. Does subscriber No. 1 think it incumbent upon members to report the names of the cities where they do not have representatives as well as where they do have them?

Insidious movements by some of the council members to attack the business of the H. & B. Co. in the Chicago market is becoming monotonous and intolerable, and I am now in position to state that the National Lead Company, being the owner of the H. & B. plant, have given me their assurance that we will be protected in the enjoyment of the trade we have established. With this backing we are not at all alarmed that any big bully is going to pull down our house.

Yours, very truly,

HIRST & BEGLEY LINSEED WORKS,
(Signed) J. W. HIRST, *Manager.*

1268 [Copy.]

Market Letter #1330—Flaxseed Crushing Industry—March 17, 1920.

(Excerpts from minutes of meeting held on Wednesday, March 10, 1920.)

21. Julian Armstrong for the publicity committee advised the meeting that advertising copy had been prepared and distributed,

as the records of the bureau would show, and that previous to such distribution it was also of record with the bureau, a partial meeting of the publicity committee had been held (the Sherwin Williams and the Wm. O. Goodrich Companies, members of that committee being unable to attend) and the proposed plan of advertising had been decided upon by the committee for submission to the council for final approval.

22. Mr. Armstrong advised the meeting that the first report of the total advertising expenditure necessary for a page a month in the six publications selected was now found to be in error because of the fact that only twelve insertions had been decided upon in the weekly publications, whereas the rate quoted the bureau for those publications had been on the basis of fifty-two insertions.

23. He stated that with these changes, together with a correction by the American Paint & Oil Dealer in the price they had originally quoted, there was now a total of $3,912, using a page a month in the following six publications: American Paint Journal; American Paint & Oil Dealer; Oil, Paint & Drug Reporter; Drugs, Oils & Paints; Paint & Varnish Record; Paint, Oil & Drug Review.

24. A general discussion of the entire question of giving publicity to the work of the council and the various pieces of copy submitted was then entered into.

25. Mr. Patton made the very substantial suggestion that in his opinion the advertising of the council would better center itself on a more aggressive approach to the question, whereby as a feature of such a plan a definite standard of linseed oil could be determined upon and a universal trade mark identifying such a standard could be provided and properly registered, and in this way the standardized product of the council could be jointly advertised and merchandised.

26. Mr. Armstrong, in explanation of the copy submitted, stated that the purpose of this advertising was to develop good will toward the cooperative work of the council by pointing out the public service results of such cooperative work, and that he felt that this opportunity for immediate constructive advertising by the council was more desirable than the direct merchandising advertising campaign suggested by Mr. Patton, which could not, of course, be immediately launched.

27. A more or less general discussion then ensued in which the pieces of copy under consideration were reviewed and analyzed.

28. The use of the book "Intelligent Selfishness a Business Builder" in conjunction with that advertising was also discussed, Mr. Armstrong making the point that while the distribution of this book might very directly advertise the bureau, still it had been the experience of the bureau in similar publicity campaigns that the book as a medium for conveying to the interested parties a full explanation of this cooperative service was vitally necessary in conjunction with the advertising campaign, as anything short of a complete and thorough understanding of the principles of this

cooperative service and its plan of operation might work against the best interests of the council.

1269 29. He explained that this book had been distributed to over a thousand buyers of the product of one of the groups of the bureau's clients, and that the return from such distribution had already been of great benefit to the work of that group and had been the means of giving the buyers of the product of that industry a very thorough knowledge of the plan of such cooperation and had in many cases brought forth an unsolicited commendation.

30. In the discussion which ensued it was the sense of the meeting that the list of the names of the members of the council might be interpreted as a reflection on those manufacturers who were not members of the council, and it was therefore agreed that the individual signatures of these advertisements should be eliminated.

31. On question from Mr. Nolan as to the expense of the distribution of the book, Mr. Armstrong advised the meeting that the actual cost of the book, together with its mailing charge, was $1.00 per copy, and that the cost of this feature of the advertising would have to be included as an extra in the advertising campaign to be prorated in the same manner as the cost of the advertising space.

32. There was then a suggestion by Mr. Martin that The Painter and Decorator, the official publication of the Painters' Union, published at Philadelphia, Pa., be substituted for the American Paint & Oil Dealer.

33. Mr. Martin's suggestion was unanimously approved.

34. It was then moved by Mr. Archer, seconded by Mr. Bolton, and unanimously carried, that with the changes recommended, the three pages of advertising copy submitted to the council be now approved for publication in the list of six publications selected.

1270 [Copy.]

(Sub-div. 2 of Art. V.)

Market Letter No. 1331—Flaxseed Crushing Industry—March 17, 1920.

HANDLING REPLIES FROM THE COUNCIL'S ADVERTISING.

The bureau is employing the following form in acknowledging the letters received in response to the council's advertising which is just commencing in the six publications selected, and a label similar to that appended is inserted in the flyleaf of each copy of the book, "Intelligent Selfishness a Business Builder."

Lists of the applicants for the book will be published from time to time.

From: Armstrong Bureau of Related Industries.
To:
Subject: "Intelligent Selfishness A Business Builder."

1. In accordance with your request, Mr. ———, we are sending you under separate cover, with the compliments of our clients, the

Linseed Crushers' Industrial Council, a copy of the book above referred to.

2. The manufacturers of linseed oil have a twofold purpose in the distribution of this little volume—to afford to their trade a complete explanation of the work they are doing for the betterment of their industry, and to promote among American business men the principles for which the book stands.

3. You will recognize that this educational work is being carried on at some expense, and without any direct selfish interest.

4. Under the circumstances your comment upon the book, and upon the principles involved, after you have read it, will be very much appreciated by the council and the bureau.

(Signed)

(Insert.)

Presented to

_____

with the compliments of the

LINSEED CRUSHERS'
INDUSTRIAL COUNCIL.

1271 [Copy.]

(Sub-div. 1 of Art. V.)

Market Letter No. 1358—Flaxseed-Crushing Industry—April 2, 1920.

REPLIES TO THE COUNCIL'S ADVERTISING.

In accordance with the procedure outlined in market letter #1305, the bureau is publishing below a list of the inquiries for a copy of the book "Intelligent Selfishness A Business Builder" thus far received in response to the council's advertisement in the March issues of trade publications.

Chas. H. Thornton & Co., Winnipeg, Manitoba, Canada.

C. M. Durbin, Durbin & Durbin, Union Central Bldg., Cincinnati, Ohio.

B. H. Roettker Co., 12 East Third Street, Cincinnati, Ohio.

Edwin L. Griest, % Griest & Co., First National Bank Bldg., Cincinnati, Ohio.

Chas. R. Sargent, President, The Chas. R. Sargent Co., Engineers Bldg., Cleveland, Ohio.

Phillips Wyman, Save the Surface Campaign, 632 The Bourse, Philadelphia, Pa.

J. W. Austin, purchasing agent, Acme White Lead & Color Works, Detroit, Mich.

William D. Seymour Co., 614 S. Peters St., New Orleans, La.

B. J. Cassady, Pittsburgh Plate Glass Co., Pittsburgh, Pa.

P. R. Naylor, Traffic Manager, The Continental Oil Co., Denver, Colo.

J. S. Ormont, L. & E. Frenkel, Inc., 291 Broadway, New York City.

1272 [Copy.]

(Subdiv. 2, Art. V.)

Market Letter No. 1367—Flaxseed Crushing Industry—April 16, 1920.

ADDITIONAL REPLIES TO THE COUNCIL'S ADVERTISING.

(See market letter #1358.)

Council members will be interested in the following response to the advertisement in the American Paint Journal from Peaslee-Gaulbert Company:

LOUISVILLE, KY., *April 14, 1920.*

LINSEED CRUSHERS' INDUSTRIAL COUNCIL,
11 La Salle Street, south, Chicago, Ill.

GENTLEMEN: Have noted in the April issue of the American Paint Journal your statement as to the quoting and selling of linseed oil as directed by the Armstrong Bureau.

Would appreciate if you send to the writer the book "Intelligent Selfishness a Business Builder."

The writer handles the linseed oil for this concern and am very much interested in the work of the bureau, which has been a factor in the stabilizing of business.

We regret to learn, however, that Spencer Kellogg & Sons have withdrawn.

Thanking you in advance for your kind attention, we remain,

Your friends,

PEASLEE-GAULBERT CO.,
(Signed) C. WATKINS.

Other recent inquiries for a copy of the book are: Guy S. Gardner, treasurer, The Housum-Grace Co., Cleveland, O.; Lloyd Lamborn, editor, Chemical Age, 243 West 39th St., N. Y. City; E. A. Gilliland, manager, Spurlock-Neal Co., Nashville, Tenn.

1273 [Copy.]

Subdiv. 2, Art. V.

Market Letter No. 1390—Flaxseed Crushing Industry—May 24, 1920.

COMMENTS FROM LINSEED OIL BUYERS ON THE BOOK "INTELLIGENT SELFISHNESS A BUSINESS BUILDER."

The following communications are typical of those which are reaching the bureau from time to time and will give the council members an idea of the way in which the trade is receiving the outline of their work contained inthe book "Intelligent Selfishness a Business Builder."

RICHMOND, VA., *May 18, 1920.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We acknowledge receipt of the book "Intelligent Selfishness a Business Builder," and beg to thank you for having sent same to us. The contents of this book are well worth the serious reflection of every business man, and I shall see to it that those connected with this concern in positions of responsibility have the opportunity of reading same. I am sure the book will do good and be of much benefit to the trade generally.

Again thanking you for sending it to us, we are

Yours very truly,

HARWOOD BROS., INC.,
(Signed) W. T. SHEPHERD,
Vice President.

NEW YORK, *May 21, 1920.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: The book referred to in your letter of May 14th has just reached us and the writer will take the first opportunity to read all the chapters. We are heartily in sympathy with your aims and while many manufacturers may not feel like going to the limits advocated, we feel that they will do so when they are made to realize that intelligent selfishness is an aid to business.

Yours very truly,

TOCH BROTHERS.

1274 [Copy.]

(Subdiv. 2, Art. V.)

Market Letter No. 1394—Flaxseed Crushing Industry—May 28, 1920.

FURTHER COMMENTS FROM LINSEED OIL BUYERS ON THE BOOK AND SUGGESTION RE JOBBER'S MARGIN OF PROFIT.

(See market letter #1390.)

EAST BOSTON, MASS., *May 26, 1920.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: The book "Intelligent Selfishness a Business Builder" was glanced over in a casual manner upon receipt and laid aside for more careful reading, which accounts for the delay in acknowledging your letter of May 12th.

The principles covered in your book are certainly interesting and the opportunity for cooperation along the lines indicated seem broad, with results that should certainly be desirable all around.

The writer is under obligations to you for the opportunity of becoming acquainted with your plan.

Very truly, yours,

ACME WHITE LEAD AND COLOR WORKS,
(Signed) C. J. LANDEN.

RICHMOND, VA., *May 24, 1920.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

GENTLEMEN: We have your favor of May 13th, also the book "Intelligent Selfishness a Business Builder," and, while the writer has not had an opportunity to read same very carefully, he is thoroughly in sympathy with the principles of the movement.

As secretary of the Richmond Paint, Oil and Varnish Club, I would like to mention that the crushers should establish a differential that would give the jobber and manufacturers at least a small margin of profit rather than the present system, which puts the jobber at a great disadvantage in competing with the crusher, and, as a matter of fact, 80% of the oil is sold through the jobber, and it will be advantageous to the trade in general if they were able to put this on a profitable basis, rather than have every jobber feel, as he does, that he is losing money on the sale of linseed oil, and simply markets it because he is forced to do so.

Yours, very truly,

TANNER PAINT & OIL CO., INC.,
(Signed) F. J. SAMPSON, *President.*

1275 CHICAGO, *May 27, 1920.*

From: Julian Armstrong, Armstrong Bureau of Related Industries.
To: Mr. F. J. Sampson, President, Tanner Paint & Oil Co., Inc., Richmond, Virginia.
Subject: Your letter of the 24th with specific reference to the jobber's margin of profit.

1. We have your communication above referred to, Mr. Sampson, and we are glad indeed to have your expression of approval of the principles of fair and intelligent cooperation.

2. With specific reference to your suggestion that our clients, the crushers of flaxseed, give attention to differentials which now represent the jobber's margin of profit in the handling of oil, we have to advise that we will be only too glad to bring this before the next meeting of those manufacturers.

3. This is a subject which you understand, of course, can only be handled by a general discussion and analysis of both sides of the question with a recommendation or a consensus of opinion as the only possible outcome of that discussion.

4. Our clients at no time attempt to arrive at any agreements or anything that savors of agreements on matters pertaining to their market, and the bureau's ruling to that end is rigidly enforced; even on such a matter as the point in question, where it is possible an agreement might be lawfully arrived at, we prefer to work on the principle that it is not possible for manufacturers to carry out agreements, even though they were so disposed and were permitted to do so by law, as we feel that the economic argument, which at all times necessitates a manufacturer operating his business in accordance with his individual judgment, is all-powerful and is the one on which constructive cooperation must be based.

5. There is a point of question in the matter of greater margins of profit for the jobbers of linseed oil in the fact that in this industry the large jobber in the past has also been a large consumer of the oil and abuses have crept in whereby, by giving such a consumer jobber recognition that consumer has been enabled to purchase his oil for his own consumption at a considerable saving over the prevailing market prices of oil to other consumers, and in the case of the paint and varnish manufacturers these consumers are competitors, and such price discrimination, especially when the discount as a jobber was not really earned by that jobber because of the fact that most of the oil which he took was for his own consumption, developed an unfair competitive condition.

6. As aforestated, this communication is sent you by the bureau on the situation as we see it, but we shall be glad indeed to send you a further comment expressing the sense of the next meeting of our clients on the point in question.

(Signed) JULIAN ARMSTRONG.

1276 [Copy.]

DEFENDANT'S EXHIBIT 30.

ANKENEY LINSEED MFG. CO.,
Des Moines, Iowa, 8/1/19.

From: Ankeney Linseed Mfg. Co., Des Moines, Iowa.
To: Armstrong Bureau of Related Industries, Chicago, Ill.
Subject: Maintaining 30 days trade acceptance.

GENTLEMEN: Replying to your market letter #643. We beg to say, as we have several times previously advised, we do not make use of the 30-day trade acceptance. Our dealings are almost altogether with the jobbers, and we have but one customer who does not discount his bills, and we have lately discontinued further business with this party. This party we mentioned at times took beyond thirty days for payment, nor would he give us trade acceptance, hence our refusing to longer continue his account with us.

We have no comment to make on the general subject of the letter, not knowing what subscriber No. 12 has published to the members in reference to their adoption of the 30 days trade acceptance.

Yours very truly,

(Signed) H. E. ANKENEY,
Sec'y-Treas.

1277 [Copy.]

DEFENDANT'S EXHIBIT 31.

BUFFALO, N. Y., *Aug. 9, 1919.*

To: Armstrong Bureau of Related Industries.
From: The Mann Bros. Co., J. J. Mann, Vice Prest.
Subject: Market letter No. 643.

1. We have not found it necessary as yet to adopt the thirty-day trade acceptance. We still sell linseed oil on the terms thirty days net or less 1% for cash in ten days from date of shipment. We have very few customers who do not discount their bills, and those few we insist upon payment at the end of the thirty-day period, and so far all has been worked well. Should we have any trouble in our collection will be glad to start the thirty-day trade acceptance, but at the present writing we do not find it necessary.

Yours truly,

THE MANN BROS. CO.,
(Signed) JOHN J. MANN,
Vice Prest.

1278 [Copy.]

DEFENDANT'S EXHIBIT 32.

MINNEAPOLIS, MINN., *August 1st, 1919.*

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Illinois.

GENTLEMEN: Replying to market letter No. 643:

We have not yet seen our way clear to adopt trade acceptances.

Yours truly,

MINNESOTA LINSEED OIL CO.
(Signed) F. C. SMITH.

1279 [Copy.]

DEFENDANT'S EXHIBIT 33.

NATIONAL LEAD COMPANY,
New York, March 15, 1919.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago, Illinois.

GENTLEMEN: You have reminded us that we have not replied to your market letter No. 302. That letter called for docketing and discussion of the subject at the February meeting, therefore it dld not call for reply by mail.

Our company has repeatedly informed council members that we do not use trade acceptance and likewise have declared on more than one occasion our purpose not to do so.

Yours very truly,

(Signed) C. T. NOLAN, *Manager.*

1280 [Copy.]

DEFENDANT'S EXHIBIT 34.

NATIONAL LEAD COMPANY,
New York, August 23, 1919.

From: National Lead Company, C. T. Nolan, Mgr.
To: Armstrong Bureau of Related Industries, Chicago, Illinois.
Subject: Market letters #643 and 658.

DEAR SIR: For the steenth time we will state through the bureau to all council members that we do not see our way clear to use trade acceptances.

Yours very truly,

(Signed) C. T. NOLAN, *Mandger.*

CTN: AW

(Indorsed on cover:) File No. 28775. N. Illinois D. C. U. S. Term No. 307. The United States of America, Appellant, vs. American Linseed Oil Company, American Linseed Company, Ankeney Linseed Mfg. Co., et al. Filed March 20th, 1922. File No. 28775.

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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, A. D. 1922.

No. 307

UNITED STATES OF AMERICA,
Appellant,

vs.

AMERICAN LINSEED OIL COMPANY, et al.,

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS.

Motion of Wm. J. Matthews for Leave to file a Brief as Amicus Curiae and Petition Accompanying the Motion.

WM. J. MATTHEWS,
HUGH T. MARTIN,
as Amici Curiae.

CHAMPLIN LAW PRINTING CO., CHICAGO

IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1922.

No. 307

UNITED STATES OF AMERICA,
Appellant,

vs.

AMERICAN LINSEED OIL COMPANY, et al.,
Appellee.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS.

MOTION.

Now comes William J. Matthews, a member of the bar of this court, and presents the annexed petition, and asks leave to file herein a brief as *amici curiae*. The reasons in support of this motion are stated in the petition.

.....

IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1922.

No. 307

UNITED STATES OF AMERICA,
Appellant,

vs.

AMERICAN LINSEED OIL COMPANY, et al.,
Appellee.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS.

PETITION.

The petition of the undersigned respectfully represents to the court as follows:

This case involves the right of competing business men to co-operatively, through a central Bureau, assemble and distribute certain statistical data concerning production, consumption and prices, among some other activities, and whether the same as conducted by the Bureau, in this case, is in violation of the Sherman Act.

The decision of the District Court approved such activities of this Bureau as conducted for the defendants, and an appeal from that decision to this court has been taken by the United States Government.

. . . . . .

Your petitioner is attorney for clients who are in some instances participating in some of the co-operative activities of collecting and distributing statistics by and among the members of their industry and to various departments of the United States Government, some of which statistics are similar to those involved in this case, and consequently the decision in this case might have an important bearing upon the rights and liabilities of his clients.

Your petitioner also represents that he, collaborating with Hugh T. Martin, of Chicago, and a member of the Illinois Bar, filed a brief as *amici curiae* in this case in the District Court when it was tried in that court. That the principles are set forth in that *amici curiae* brief are included in the brief which your petitioner desires to file in this court.

Your petitioner and Mr. Martin have given the record in this case, and the legal and economic principles involved, special study, and have endeavored to present the same to this court in an orderly manner. That many of the principles involved are practically of first impression in this court, and there is urgent need for a decision clearly defining rules of business conduct in these matters.

Being thus directly interested in the decision of many of the questions herein involved, your petitioner desires the privilege of presenting a brief, which has been prepared by Mr. Martin and your petitioner after exhaustive study, as *amici curiae*. Your petitioner accordingly respectfully requests that an appropriate order for that purpose be entered.

Respectfully submitted,

.....

State of Illinois,
County of Cook. } ss.

William J. Matthews, of said county, being duly sworn, says: I have the foregoing petition and the same is true.

.....

Subscribed and sworn to before me this ..... day of April, 1923.

.....

Notary Public of Cook County, Illinois.

BRIEF FOR THE UNITED STATES

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In the Supreme Court of the United States

OCTOBER TERM, 1922.

UNITED STATES OF AMERICA, APPELLANT,
v.
AMERICAN LINSEED OIL COMPANY ET AL. } No. 307.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS.

BRIEF ON BEHALF OF THE UNITED STATES.

STATEMENT OF THE CASE.

This action was brought by the United States against the Armstrong Bureau of Related Industries and the manufacturers of linseed oil who are members of that bureau. According to the allegations of the bill the Armstrong Bureau is a partnership composed of Julian Armstrong and Montagu Ferry (R. 2), but it appears from the answer of the Bureau that the proprietor is Julian Armstrong alone. It is alleged in substance in the bill that a written contract, identical as to each, was entered into by said Bureau and the several defendant manufacturers whereby the Bureau was to be in effect a clearing-house

through which the manufacturers were to lay bare to each other the minutest details of their business, and they were also to organize themselves into a council, which was required to hold monthly meetings for the discussion of the various features of the industry of manufacturing and selling linseed oil; that the plan had been put into effect in 1918 and was still in operation, and that its enforcement had resulted in the restraint of interstate trade and commerce in linseed oil. The details of the plan and the activities of the defendants thereunder are stated in full in the bill (R. 1–11), but are not here repeated, as they will appear in the recital of the evidence.

Some of the defendants answered jointly and others separately, but they all in effect admitted the plan and the organization thereunder, but denied that interstate commerce had been restrained thereby (R. 11–40).

District Judge Carpenter, before whom the case was tried, handed down an opinion on November 1, 1921, a month and a half before this Court's opinion was rendered in the case of *American Column & Lumber Company* v. *United States*, known as the *Hardwood case;* and the court held that the combination created by the contracts between the Bureau and its members and the activities thereunder were not unlawful, and the bill was therefore dismissed (R. 42–49); and an appeal was prosecuted direct to this Court.

ASSIGNMENT OF ERRORS.

An assignment of errors was filed in the court below, in which it was insisted that the court erred:

(1) In failing to adjudge and decree that defendants had agreed, combined and conspired to restrain, and were when the bill was filed engaging in a combination and conspiracy in restraint of, interstate trade and commerce in linseed oil, in violation of the Anti-Trust Act:

(2) In failing to hold that defendants had agreed, combined and conspired, and were engaging in a combination and conspiracy, *to suppress competition in prices amongst themselves* in making sales of linseed oil for transportation in interstate and foreign commerce;

(3) In failing to hold that defendants had agreed, combined and conspired, and were engaging in a combination and conspiracy, *to enhance the prices at which linseed oil was sold for shipment and was shipped* in interstate and foreign commerce;

(4) In failing to hold that defendants had agreed, combined and conspired, and were engaging in a combination and conspiracy, *to retard the lowering of prices of linseed oil sold for shipment, and shipped* in interstate and foreign commerce;

(5) In holding that a combination and conspiracy did not exist between the defendants to restrain interstate and foreign trade and commerce in linseed oil *by suppressing competition in the prices of such oil amongst the defendant manufacturers and by enhancing the prices and also by retarding the reduction of*

the prices of such oil, by the methods described in the original bill;

(6) In failing to enjoin the defendants from further carrying out the combination created by the contracts between the Bureau and its members (R. 153, 154).

THE EVIDENCE.

As the Government relies both upon the contracts between the Bureau and its subscribers and upon circumstantial evidence to show the purposes of the plan and the necessary result of its operation, a full citation of and copious quotations from the evidence are deemed advisable, as it will thus be presented concisely and in an orderly way, and not in fragments, as would be the case if merely cited or a very general statement made of its substance, and the record had to be searched to ascertain its exact character.

The Armstrong Bureau served different lines of industry, but this action calls in question only the plan and activities thereunder which relate to the manufacture and sale of linseed oil.

THE CONTRACT BETWEEN THE BUREAU AND ITS SEVERAL SUBSCRIBERS.

The Government filed as Exhibits 1a and 1b two specimen contracts between the Bureau and the defendant members, one of which is dated October 1, 1918, and the other October 1, 1919. While not identical in language, yet there is no essential difference between the two; and that the Court may understand the exact scope and nature of the plan operated by the defendants the contract of the latter date is here set forth in full.

(Those parts regarded as specially important are emphasized. All italics in the brief are ours unless otherwise designated.)

> Armstrong Bureau of Related Industries, whose products manufactured, marketed, and sold in strict accord with a spirit of fairness to employee, competitor, and purchaser need no greater surety of supreme quality."
>
> *It is understood and agreed as specifically set forth in this contract that the matter contained herein is for the exclusive and confidential use of the subscriber named above, and upon termination of this contract or revised printing of the same this copy is to be returned to the Armstrong Bureau of Related Industries,* 11 La Salle Street South, Chicago, Ill.
>
> SUBSCRIPTION AGREEMENT FOR SPECIAL STATISTICAL SERVICE WITH THE ARMSTRONG BUREAU OF RELATED INDUSTRIES TO BE FURNISHED TO THE CRUSHERS OF FLAXSEED OF THE UNITED STATES OF AMERICA.
>
> Whereas it is desired by the undersigned and other crushers of flaxseed (hereinafter designated as "subscribers" and referred to by the pronoun as herein used) to promptly and economically secure for themselves from and through the undersigned Armstrong Bureau of Related Industries, of Chicago (hereinafter designated as the "bureau"):
>
> (*a*) Comprehensive and reliable data and information as to market, trade, and manufacturing conditions in the linseed oil, cake, and meal industry of the United States and export fields;

(*b*) Economies in manufacture and sale to be effected by the frank exchange of true and accurate information pertaining thereto;

(*c*) The latest authentic information as to the credit standing of purchasers of their product;

(*d*) A broader market for cake and meal to the farmer and stock raiser by pointing out to them through educational campaigns the food and fertilizing values of the foregoing and also by cooperating with the U. S. Department of Agriculture to the same end;

(*e*) The establishment of uniform cost accounting systems throughout the industry;

(*f*) Also to at all times obtain, by cooperation with freight tariff boards, fair and just freight tariffs and classifications;

(*g*) And to establish and maintain definite standardizations of the products of the industry;

(*h*) To effect economies in the development of foreign markets and increase such sales;

(*i*) And, in so far as it may be lawful, to effect the stabilization of the flaxseed market and eliminate the speculative features therein;

(*j*) And by cooperation to secure shipment of cake and meal to the consumer from the nearest point of production, thereby saving the loss incident to long and cross transportation;

All of which will promote better and more safe, sane, and stable conditions in the linseed oil, cake, and meal industry and increase its service to the commonwealth.

Now, therefore, in consideration of the benefits that will accrue individually and collectively by and to each "subscriber" and the parties hereto and of the promises and agreements herein made and other valuable considerations each to the other in hand paid, receipt of which is hereby acknowledged, the undersigned have and do hereby mutually agree as herein set forth and the undersigned "subscriber" does hereby subscribe to the service of said "bureau," as herein specified, for a period of one (1) year from the first day of October, 1919, or any then remaining portion of such period, *and this contract shall stand renewed from year to year (dating from October first) unless previously canceled as herein provided.*

It shall be and is expressly understood and agreed, by each "subscriber" hereto, that all information reported to said "bureau" or distributed by it is and shall, at all times, be purely statistical and pertains and will pertain only to past operations and that no part of the machinery of said "bureau" will be permitted to be used to fix prices for the sale of linseed oil, cake, or meal, or any other product, or to divide the territory, limit the sale, production, or manufacture thereof or to control competition.

Each "subscriber" hereto recognizes that the efficiency of the "bureau" and the value of the information secured, collected, and distributed by it and the benefits to be derived therefrom are dependent upon the accuracy, punctuality, and completeness of reports and

information received from its "subscribers"; therefore each "subscriber" to this contract hereby further agrees, for itself and all those whom it can lawfully control:

To promptly make, have made, forward, and have sent in and to said "bureau," as and in the form required by this agreement, full, accurate, complete, signed, and certified reports of all said sales, quotations, and offerings or other information required by the "bureau" and full, correct replies or answers to any and all inquiries concerning the same or seeking any information in regard thereto; and

On request at once turn and have turned over to the "bureau's" auditor for examination all vouchers, books of account, correspondence, and such other evidence or documents as he may request or, in lieu of the same or any part thereof, such abstracts therefrom as he may designate, verified under oath and certified by a certified public accountant in good standing.

If any "subscriber" considers that it has good cause to question the report made by any other "subscriber" then it may request an investigation or audit to be made by the "bureau" and, if considered proper by the "bureau," it will be so made. All expenses incident to any investigation shall be paid by the "subscriber" or "subscribers" found in error as the result of such investigation and in no event by the "bureau."

BOND DEPOSIT.—The undersigned and each "subscriber" to these agreements, upon the execution and delivery thereof, has and does deposit with said "bureau" Liberty bonds in an

amount computed at the rate of $1,000, par value, for each six presses or fractions thereof by it operated, at the time of the execution hereof, in its various mills: Provided, however, the amount of such deposits shall be not less than $1,000 nor in excess of $10,000; and at the close of each contract year the amount of this bond deposit shall be so readjusted on the same basis.

At the first meeting of the "subscribers" hereto they shall select, by a majority vote, two of their members to act with the representative of said "bureau" as a "bond committee," which committee shall at once select a suitable safety deposit vault and deposit therein all bonds so deposited with said "bureau," and access to said vault and deposited bonds therein shall be had only by said bureau's representative jointly with at least one other of said "committee" the members of which may be from time to time changed by vote of the "subscribers" and the bureau's representative may be likewise changed by it.

Should the undersigned "subscriber" fail, in any manner whatsoever, to comply with any of the terms of this agreement or with any and all reasonable requirements of said "bureau," then it shall and does hereby forfeit to said "bureau," at its election, all money paid for services and all further benefits and rights under this agreement; which forfeiture, for just cause, may be declared by said "bureau," evidenced by written notice thereof mailed to said offender by U. S. registered mail, and such "subscriber" shall thereby forfeit all further right, title, or interest in and to

said bonds (so on deposit) in whole or in part, and such action shall be subject to revision only by the "appellate council" as in this contract provided; that is:

Upon such forfeiture being so declared, any "subscriber" (upon giving notice to the "bureau" by U. S. registered mail within twenty days after the mailing of the above forfeiture notice by the "bureau") shall have the right of appeal therefrom to an "appellate council" consisting of three representatives to be chosen from among the other "subscribers" to this agreement; to be selected and become operative in the following manner, that is:

Upon receiving such notice of appeal, a box containing the names of all "subscribers" hereto, excepting, of course, such offender (each name on a separate card) shall be at once prepared and within ten days thereafter three names shall be drawn from this box by the "chairman" then in office or one of the officers elected by the "subscribers" at their regular meetings as herein provided, which names so drawn from this box shall compose this "appellate council," and the name first drawn shall act as "chairman"; and, should any person so chosen, for any cause, not serve his successor shall be chosen in like manner; and

Such "appellate council" shall be at once convened by the chairman and to which shall at once be given all the findings of the "bureau," and "council" shall promptly review the entire matter in any manner it considers appropriate and pass final judgment which

shall be expressed by a majority vote and shall be final and binding and *from which there shall be no further appeal or other redress or resort to law or otherwise and in so doing said "appellate council" may:*

(a) Reinstate such "subscriber" to the service of the "bureau" or take any other action that it sees fit, excepting that any fine levied by such "council" shall not exceed the amount of that "subscriber's" said deposit with the "bureau"; and

(b) Determine the expenses incurred and loss sustained by said "bureau" occasioned by said breach of contract; and

(c) The expenses of calling, convening, and the operations of such "council" and its members in its work, and any other expenses occasioned the parties in interest incident to said breach; and

(d) Render its final judgment and in so doing may direct said "committee" to make sale of sufficient of said bonds, so deposited by said "subscriber," to repay the sums above specified and which shall be at once done by the "committee," and

(e) As a further penalty all or any part or portion of the remainder of said bonds may be turned over to the Red Cross or some other national charity selected by majority vote of the "subscribers" as in its arbitrary judgment it may direct.

(f) It may return the remainder, if any, of said bonds to the depositing "subscriber," in which event such "subscriber" shall then and there and at that time (if reinstated) make a

further deposit with said "bureau" of other Liberty bonds, which together with said remainder to be then redeposited shall amount to the original deposit.

Said bonds so deposited with said "bureau" shall be (until otherwise disposed of as herein provided) so held in trust, and all interest collected or paid while thus in custody shall be promptly accounted for and paid over to the respective parties in interest, and all bonds remaining at the termination of this contract and not previously disposed of as herein provided shall be surrendered and turned back to the respective "subscriber" without further charge in the premises.

SERVICE CHARGE.—The undersigned "subscriber" hereby further agrees to pay to said "bureau" for each year's statistical service a total sum computed on the number of bushels of flaxseed milled by such "subscriber" during the preceding twelve (12) months, estimated and arrived at in the following manner; that is:

(*a*) For the first 100,000 bushels it shall pay a charge of eight dollars ($8.00) per thousand for each one thousand bushels or fraction thereof;

(*b*) For the second 100,000 bushels it shall pay a charge of four dollars ($4.00) per thousand for each one thousand bushels or fraction thereof;

(*c*) For the third 100,000 bushels it shall pay a charge of two dollars ($2.00) per thousand for each one thousand bushels or fraction thereof;

(*d*) For all amounts over and above 300,000 bushels it shall pay a charge of one dollar ($1.00) per one thousand bushels or fraction thereof;

The total sum thus computed shall be divided into four equal parts and shall be by the undersigned "subscriber" paid "one part" each quarter in advance, the first payment to be made upon the ensealing and delivery of this contract. At the close of each year of this contract this annual charge shall be recomputed at the same rate but on the basis of the last contract year's milling of flaxseed by the undersigned, but in no event (regardless of any such computation) shall the fees thus paid by the undersigned "subscriber" for any fiscal year amount to less than eleven hundred dollars ($1100).

CANCELLATION OF CONTRACT.—Any "subscriber," in good standing, by giving written notice to the "bureau" by U. S. registered mail of its desire so to do, may have this agreement canceled and service discontinued thirty days after the date of mailing such notice, and the "bureau" may also cancel the same at any time under the same conditions and in similar manner.

SERVICE OF THE BUREAU.—With the help of each and every "subscriber" to this agreement which each signing this agreement hereby agrees to give, the "bureau" agrees:

(*a*) To undertake and use its best efforts to organize hereunder and for the purpose hereof the linseed oil, cake and meal industry of the United States; and

(*b*) To at once afford the "subscriber" the full statistical service of the "bureau" for the exchange of the following statistical information:

(aa) Quotations; (bb) sales; (cc) shipments; (dd) production; (ee) terms; and

(*c*) To afford the industry the service of its credit reporting department and, by a careful study of the marketing and distributing problems of the industry, to suggest, from time to time, the method and means for broader service.

When the industry shall require additional service other than that so specifically covered in the above paragraphs "a," "b" and "c," it shall be supplied by the "bureau" at a special additional rate to be then determined.

MEETINGS.—It is agreed:

(*a*) *Monthly meetings will be held of all subscribers hereto at some convenient center;*

(*b*) Due notice of said meetings will be sent out by the "bureau" to each "subscriber" hereto two weeks in advance of the meeting date;

(*c*) At these meetings said "subscribers" shall annually choose their chairman and such other officers as desired, but some representative of the "bureau" shall at all times act as secretary and *shall present to the meeting any and all matters pertaining to the linseed oil, cake and meal industry to be therein openly discussed for the benefit of the industry and the public welfare;*

(*d*) *"Subscribers" may send in to the "bureau" notice of such matters or topics as they may*

wish to have discussed at these meetings and if such matters are in accord with the spirit and letter of this agreement and the object of the service, then the "bureau" shall cause the same to be properly docketed and presented to the meeting;

(*e*) *All "subscribers" shall report at these meetings on all matters and conditions within their knowledge affecting the industry and within the limits of this agreement that they may be there discussed for mutual benefit;*

(*f*) When questions arise as to incurring financial obligations not provided for and subscribed to in this contract, the same shall be decided by a two-thirds majority vote of all "subscribers" hereto by special ballot as follows:

(*g*) *Each "subscriber" present shall have one vote for each thousand bushels of flaxseed which is the basis for computing that "subscriber's" current year's service fee to the "bureau";*

(*h*) *There shall be no quorum present at any meeting of "subscribers" for the transaction of business other than to adjourn unless there are sufficient present to represent two-thirds of the votes of all of the "subscribers" on the basis as determined in the preceding paragraph.*

Any member of a partnership, which is a "subscriber" hereto, or any agent of a corporation, which is such "subscriber," appointed by resolution of its board of directors and presenting a certified copy thereof, may act in behalf of said "subscriber" in all matters pertaining to this contract and the undersigned "subscribers" agrees to be fully bound thereby.

Any "subscriber" failing to attend in person or by said representative at each of these meetings and be in punctual and continued attendance thereon shall be subject to a fine of twenty-five dollars ($25.00) for each offense, the same to be collected by and payable to the "bureau." This fine may be remitted by a majority vote of the members present at the meeting where it is incurred.

STATISTICAL SERVICE.—The statistical service so to be furnished by the "bureau" shall be accomplished and provided by the use of special reporting forms conveying information on past transactions as outlined herein and which may be modified, changed, and others provided as experience suggests or as called for by the "subscribers" in any of their meetings and approved by the "bureau."

DAILY MARKET INFORMATION.—The undersigned and each "subscriber" hereto agrees:

(a) To immediately, and when and as hereafter issued, deposit with the "bureau" all published price lists of the undersigned covering raw and boiled linseed oil, cake and meal;

(b) Also to report to the "bureau" by prepaid telegraph, and further confirm by mail, duplicate of all quotations made at variance with above price lists, giving better terms to the contemplated purchaser than those quoted;

(c) With all reports made in compliance with the above paragraph "b" of quotations which amount to one carload or more of oil, cake or meal there shall also be reported at the same time and in the same manner the prospective buyer's name, address, and f. o. b. point of shipment;

(*d*) *In so far as the above reports "a," "b" and "c" do not disclose the following, the undersigned "subscriber" agrees to give the following information in connection therewith, that is: the exact prices, terms, and discounts—and whether made to jobber, dealer, or consumer—and in what quantities, carload or less than carload, and warehouse or mill prices;*

(*e*) *Also to promptly report all changes in and alterations or withdrawals of the above, of every kind whatsoever, that may be made;*

(*f*) *Also to promptly report by prepaid telegraph, and further confirm by mail, all orders received by the undersigned "subscriber" in response to special quotations made as above provided in paragraph "c", designating the quotation which is the basis of such order and any variance therefrom.*

REPORTS OF SALES:

(*a*) *DAILY SALES REPORT.—Directly at the close of each day's business each "subscriber" shall mail by special delivery to the "bureau" a complete report of all its carload sales for that day of oil, cake or meal, not covered by its previous daily sales reports, which report shall disclose the quantity and kind, price and terms, and whether for immediate or future delivery, and if no sale has been so made, this fact shall be likewise reported.*

(*b*) *WEEKLY SALES REPORT.—For the purpose of compiling this report a map of the United States shall be divided into zones as agreed upon by all of the "subscribers" to this service, and each "subscriber" at the conclusion of the*

week shall send to the "bureau" by special delivery, not later than the following Monday night, a compiled report of all of its sales of oil, cake or meal into each zone made during the period covered by such report and not previously so reported, specifically setting forth the following:

(a–a) Total gallons of oil sold into each zone, also showing the total gallons and price per gallon received for such oil sold.

(b–b) Total tonnage of cake and meal sold into each zone, also showing total weight and price received per ton for such cake or meal sold.

(c–c) Sales reports on both oil, cake and meal shall differentiate spot and future delivery, giving period of such futures.

REPORT OF STOCK ON HAND.—The undersigned agrees on or before the 10th day of each calendar month to report to the "bureau":

(a) The number of gallons of oil on hand not covered by sale or contract.

(b) The total tons of meal or cake on hand not covered by sale or contract.

ALL OF THE FOREGOING MARKET INFORMATION AS RECEIVED BY THE "BUREAU" WILL BE PROMPTLY CLEARED AND RELAYED BY IT TO THE UNDERSIGNED "SUBSCRIBER" AND TO ALL OTHER "SUBSCRIBERS" IN GOOD STANDING.

SPECIAL MARKET INFORMATION.—ANY "SUBSCRIBER" WHO HAS MADE OFFERINGS OR QUOTATIONS TO A PROSPECTIVE BUYER AND IS ADVISED BY SUCH BUYER THAT IT IS NOT TO BE AWARDED SUCH BUSINESS SHALL

HAVE THE RIGHT TO IMMEDIATELY ADVISE THE "BUREAU" OF SUCH UNSUCCESSFUL OFFERING OR QUOTATION GIVING ALL DETAILS OF SUCH BID OR OFFERING, AND MAY THEN REQUEST THE "BUREAU" TO BULLETIN ALL OF ITS "SUBSCRIBERS" ASKING SPECIFIC INFORMATION REGARDING ANY QUOTATION OR SALE TO SUCH PROSPECTIVE BUYER BY ANY OF THE OTHER "SUBSCRIBERS" AND THE "BUREAU," ON RECEIPT OF SUCH REQUEST, WILL IMMEDIATELY BULLETIN ALL "SUBSCRIBERS" ASKING THEREFOR AND ON RECEIPT OF REPLIES WILL SEND OUT A COMPILATION REPORT THEREOF TO ALL "SUBSCRIBERS," TOGETHER WITH THE DETAILS OF SALE, IF SUCH A SALE HAS BEEN REPORTED, SO THAT ALL "SUBSCRIBERS," INCLUDING THE ORIGINAL INQUIRER, WILL HAVE A COMPLETE REPORT OF THIS TRANSACTION.

ON RECEIPT OF A REQUEST FOR SUCH SPECIFIC INFORMATION FROM THE "BUREAU," THE UNDERSIGNED "SUBSCRIBER" WILL IMMEDIATELY REPLY TO SAME GIVING FULL INFORMATION AS TO ANY QUOTATION OR SALE WHICH IT MAY HAVE MADE TO SUCH A BUYER AND, IF IT HAS MADE NONE, SO REPORT.

GENERAL MARKET INFORMATION.—The "bureau" will send to its "sub-

scribers" in the form of market letters "news clippings" of interest to the industry which may be gathered by the "bureau" or which may be submitted by the "subscribers" as being of interest to the industry; providing, however, that all such information to be so distributed is in accordance with the object and terms of this agreement.

MARKET INFORMATION ON SPECIAL OILS NOT OF GENERAL INTEREST TO THE INDUSTRY.—"Subscribers" manufacturing and selling so-called "special oils" in competition with a limited number of the "subscribers" to this service may exchange through the "bureau" quotations, sales, or offerings on such oils which information will be mailed as herein provided, but on an exchange basis only, i. e., like information for like information, and to the extent to be hereafter determined by the "bureau."

CREDIT INFORMATION.—It is agreed that each "subscriber" will give to the "bureau" on receipt of a request for such information, any and all information which it may have pertaining to any buyer of linseed oil, cake, and meal and each "subscriber" may in turn request the "bureau" to secure such credit information from all "subscribers," provided that in making such a request it shall have an order or an account with, or an inquiry from, the company or individual on whom such information is desired, and this information thus obtained will be promptly relayed to all "subscribers" interested.

For the transmission and handling of such credit information the "bureau's" regular standard forms will be provided and used.

It is expressly understood that all reasonable modifications or changes in the foregoing requirements as to reports and the relaying of such affecting alike all "subscribers" may be from time to time made by the "bureau" and its instructions shall be followed, and that no "subscriber" has or hereby assumes any responsibility of any name, nature, description and kind whatsoever for any act or failure to act on the part of the "bureau" or any other "subscriber" hereto.

And it is further understood and agreed by the undersigned "subscriber" that all information received by it from the "bureau" or any of the meetings of its "subscribers" will be treated in complete confidence by it and will not be disclosed to any person whomsoever, except to other like "subscribers" and to those lawfully entitled thereto, and the contents of this contract will be treated in like manner by it, and on the termination hereof this document will be surrendered to said "bureau."

RELATIVE AMOUNT OF THE TOTAL BUSINESS DONE BY DEFENDANTS.

It is alleged in the original bill that the defendant manufacturers are nearly all of the most important producers of linseed oil in the United States (R. 2). This is denied in the answers (R. 12, 26, 33). But that the allegation is true is shown by Mairs, of the Archer-Daniel Company, who mentions the names

of the manufacturers in Minneapolis (R. 79), and by Quine, of the American Company, who mentions the companies operating at Buffalo and New York (R. 121), at which three points the greatest amount of the crushing is done (R. 70). All of the mills mentioned were subscribers to the Bureau.

Furthermore, the same fact more conclusively appears from Government's Exhibit 8 (R. 258–268), which shows the production and consumption by pounds of linseed oil and other fats and oils, and Exhibit 9 (R. 269–311), which shows by gallons the sales of linseed oil made by the defendant manufacturers.

For illustration: In the first quarter of 1919 the amount of oil produced was 88,704,568 pounds (R. 258). For the same quarter the amount of oil sold by defendant manufacturers was 8,110,714 gallons, or, as a gallon of oil weighs 7½ pounds (R. 71), 60,830,355 pounds. This is ascertained by adding up the weekly sales by defendants in the several zones, not including the sales to each other. They therefore sold a quantity amounting to 68½ per cent of the total production. And during the third quarter they sold 100,307,815 pounds, and there was produced 129,221,965 pounds, or the quantity they sold was equivalent to 77.6 per cent of the total production. In fact, during the second quarter defendants sold more oil than the quantity produced.

The Government insists that, when the relative magnitude of the business done by the defendants is taken into consideration, the carrying into effect of the terms of the contract between each of them and

the Bureau necessarily resulted in the restraint of interstate commerce in linseed oil; and, therefore, that its case was made out when the form of those contracts was filed, and it was proven that defendants were operating thereunder. However, it went further and showed by the evidence hereinafter cited the activities actually engaged in by defendants, and their effect upon the prices of oil and the practices incident to the trade therein.

DIVISION OF TERRITORY INTO ZONES.

It is alleged in the bill that the defendants agreed that the United States should be divided into eight zones, and that the prices established for zone 1 should be designated as base prices, and that prices in zone 2 should be one cent, in zone 3 two cents, in zone 4 four cents, in zone 5 six cents, in zone 6 seven cents, in zone 7 eight cents, and in zone 8 eleven cents, per gallon higher than said base prices; that in reporting, the amount of sales and prices therefor should be reported for each zone separately; and that these zones and prices for the several zones were adopted in order that the general plan to control production and prices might be more conveniently and successfully carried out (R. 4); and the territory embraced in each of the several zones was shown by a map filed as Exhibit B to the original bill.

In the answer filed by the Armstrong Bureau and eight of the manufacturers it was admitted that for the purpose of their operations and for no other purpose, and pursuant to the terms of the contracts

between the Bureau and the several members, they did divide the United States into zones as set forth in the said map filed as Exhibit B to the original bill; but they alleged that the differences in prices in the various zones as set forth in the bill represent only actual cash disbursements, to wit, freight rates in the transportation of commodities, and were recommended after careful research and examination of the established railroad rates throughout the United States for the purpose of intelligently reporting under the provisions of their contracts, and that they were not to be used to control or affect, nor did they in fact control or affect, the prices of the commodity charged by any of the defendant manufacturers or paid by any consumer; and that the dividing of the United States into zones has for many years been common practice in other industries (R. 15–16).

Similar admissions and allegations appear in the answers of William O. Goodrich (R. 23), and of the National Lead Company (R. 29–30), and of the American Linseed Oil Company (R. 36–37). The map filed as Exhibit B appears on page 253 of the record, and shows what parts of the United States belong to each zone. It also shows that all of Canada is classified as zone 9.

The contract between the bureau and each subscriber provided that for the purpose of compiling the weekly sales report the United States should be divided into zones as agreed upon by all of the subscribers, and that each subscriber should show in its report the amount of its sales in each zone (R. 176).

But that the system was used also for purposes other than reporting will appear from the following facts.

The minutes of the first meeting of the members of the Bureau, on September 17, 1919, show that the following discussion and understanding was had with reference to zones:

> There was then a general discussion on the matter of zones, or market areas in which subscribers should report to the bureau their various quotations and sales, and various suggestions for the use of Minneapolis and New York as basing points were considered. The matter was finally settled by motion from Mr. Warner that the bureau make a map, with the cooperation of such subscribers as may be necessary, showing various zones to cover the exchange of market information, and that copy of such map, when completed, be mailed to each subscriber who shall then, at once, file his quotations and reports for each zone shown, and in accordance with the provisions of the service contract. Carried.
>
> Further discussion of the zone matter by Messrs. Nolan, Bolton, Hirst, Adams, Kellogg, and Warner developed the suggestion that New York, Buffalo, Toledo, Chicago, Minneapolis, and Des Moines as manufacturing points are logical zone centers.
>
> Mr. Armstrong stated that as soon as the filing of all price lists was completed the exchange would be made and the service launched.
>
> It was moved by Mr. Warner, and seconded by Mr. Archer, that upon receipt of zone map

> from the bureau each subscriber shall immediately file prices in each zone as last quoted by him. Further, that each subscriber shall so state where he is not active in any zone and that such quotation report or "price lists" shall [be] by each mailed to the bureau not later than three days after the receipt of the map. Carried.
>
> It was the sense of the meeting that these zones may have to be changed from time to time but that this was the most practical method of making a start in the matter of identifying and exchanging market information (R. 667).

At the meeting of October 14, 1918, the minutes show that the subject of market zones was again taken up; that a large map showing ten zones as tentatively laid out by the Bureau was placed before the meeting, that a discussion was had as to the effect of the various freight differentials on shipments to the Pacific coast, and that it was the sense of the meeting that oil for Pacific coast trade be sold on basis of Minneapolis tank car prices with charge on barrel basis on delivered prices; and that there were suggestions as to the zones to which certain points should be assigned, and that the several zones as then modified were approved (R. 669, 670).

At the meeting of November 13, 1918 the minutes show the following action with reference to zones:

> The matter of revisions in the freight zone map was then taken up as it was evident that changes were in order because of some por-

tions in these zones being greatly affected by water rates.

Suggestions for such revisions, as made by two of the subscribers, were set forth by colored lines upon a large map and it was clearly shown that the Southern Atlantic and Gulf Port States, favored by water rates from New York, required additional zoning and Spencer Kellogg's proposed zone four covering this territory was a logical addition.

It was further shown that the cities of Richmond and Norfolk, Va., by reason of their nearness to the line of zone three, were logically entitled to a better freight allowance than the other markets located with them in zone four.

To cover this situation it was the sense of the meeting that the cities of Richmond and Norfolk were entitled to one cent per gallon differential over the respective prices for zone three.

Taking up then the suggested revision for other zones logically determined by careful freight analysis the following recommendations obtained:

That zone one as revised should stand approved.

That zones four, five, six, seven, and eight as geographically revised should be approved. Also zones two and three as originally drafted.

That the following uniform freight allowances for the various zones were fair and proper allowances based upon an analysis of the average freight rates obtaining for such territory from oil shipping centers, and such

allowances should stand recommended and approved by the meeting:

Zone 1, base.
Zone 2, 1 ct. over.
Zone 3, 2 cts. over.
Zone 4, 4 cts. over.
Zone 5, 6 cts. over.
Zone 6, 7 cts. over.
Zone 7, 8 cts. over.
Zone 8, 11 cts. over.

A discussion of the Canadian territory then ensued, and it was the sense of the meeting that Canada should be identified as zone nine, and because of duties and varied freight rates for that territory it was recommended that this zone be quoted by the respective subscribers at their various prices on a mill basis, f. o. b. at the point of shipment.

As the zoning now determined upon was considered correct for prevailing freight rates it was the sense of the meeting that the same should stand; that any subscriber might propose or make changes in such zones by immediately publishing such action, or suggested action, through the bureau. (R. 671–2.)

Considerable oral testimony was introduced relative to the zoning system, and the theory upon which it was based is as well explained by Mr. W. O. Goodrich of the William O. Goodrich Company as by any other witness. He testifies that it was a way to charge freight rates so that it was not necessary to go into extensive calculations in figuring the rate of freight to any point in a zone; that the basic rate was made at the point where the seed originated,

and they figured that a mill at that point was manufacturing at the lowest or basic price, and that the price should be in accordance with the cost of freight to get the goods from that point to the various points in the country; that the zones included certain areas that had approximately the same freight rates in order to eliminate small differences to various local points in these zones. (R. 96. See also evidence of Samuel Mairs of the Archer-Daniels Company, R. 78; F. C. Smith of the Minnesota Company, R. 109; and Frederick K. Quine of the American Company, R. 118.) In other words, there were two elements of freight that entered into the price of oil delivered at a given point: First the freight on the flaxseed from the place where grown to the crusher, and, second, the freight on the oil from the crusher to the point of delivery.

Mr. Mann of Mann Bros. Company, whose factory is in Buffalo, N. Y. (R. 66), says that the crushers purchase their flaxseed from the Canadian Northwest and the Northwest in the United States and from the Argentine Republic (R. 66–7), and that the principal points at which seed are crushed and oil produced are Minneapolis, Buffalo and New York, and that sometimes conditions are such that Minneapolis crushes more than Buffalo or New York and again New York might do the biggest crushing. In fact New York is the great market (R. 70). Mr. Quine of the American Company gives the names of the principal mills that are located in Buffalo and New York (R. 121), and Mr. Mairs names the principal

mills in Minneapolis (R. 179). Mr. Tompkins, a traffic counsellor, says that he has studied the zone map and explains the zone system (R. 132–3). If he did not figure out the several zones he certainly is familiar with the details of their creation (R. 132–3). He testifies that he took each State in a group, and what appeared to be a centrally located city in each State as an example of the conditions in the State, and added the freight rates to each of them together and struck an average by dividing by the number of cities. For illustration, in making an estimate for the first zone he took Wausau, Wisconsin, the rate to which from Minneapolis was 25¢; Duluth, Minnesota, the rate to which was 12½¢; Decatur, Illinois, the rate to which was 25¢; and Rockwell City, Iowa, having a rate of 34¢; and from them obtained an average for the first zone. In zone 2 the points considered were Indianapolis, Grand Rapids, Columbus, and Charleston, West Virginia, and he in like manner mentions the points considered in estimating the rate to points in the other zones (R. 132–133).

At one time the crop of seed in the Northwest was short, and they had to draw the supply very largely from Argentina, and Mr. Mairs says that they could then lay their seed down in Buffalo as cheaply as they could in Minneapolis; and that the price was then made the same for zone 1 as for zone 3; that "there was no change in zoning, merely the two zones were the same," but that at other times they adhered to the plan of zone 1 being regarded as the base and in zone 2 the price was 1¢ higher and in zone 3,

2¢ higher, etc. (R. 82). The change in the zoning system because of the necessity of securing seeds from Argentina was also testified to by Mr. Goodrich (R. 96–8) and Mr. Smith (R. 108). Mr. Goodrich says that he thinks the change in the basic point at that time was the subject of a resolution or discussion, as was the adoption of the zoning plan, and thinks that it was up at a meeting of the Bureau. He continues: "I would say that it took the form of a recommendation and that it was more or less unimportant, because the change had already been made. It had taken place by reason of the change of conditions and the fact that the seed then originated in New York, as far as this country was concerned. The subject was discussed, the recommendation was made, and we all acquiesced in the recommendation" (R. 98).

There is no question but that under this system the charge for transportation made by the crusher was in every instance arbitrary and not the actual cost of transportation. This is necessarily true from the method of making up the charge for each zone, the charge consisting of the average of the freight charged from Minneapolis to an important or central point in each State in the zone; and therefore the charge even to the points upon which the estimate was based could not be the actual freight to either of those points. Mr. Goodrich says: "It did not always follow that it cost exactly two cents a barrel to get into zone 2, but it was as near as we could approximate it. Our contracts read 'f. o. b. point of delivery, freight allowed'" (R. 96).

It is apparent that this is to some extent in direct conflict with the natural method of making prices to a customer. The customer's price ordinarily and naturally consists of the price at the point of production, which should include a reasonable profit, plus the freight to the point of delivery. Minneapolis appears to be the point upon which this entire zoning system is based, and if all oil were shipped to purchasers from that point, the general principle of the system, in so far as the price of oil would increase with the increase in freight rate from Minneapolis, would be natural. But as heretofore shown, a great quantity of oil, probably the greatest quantity, is produced at Buffalo and New York in zone 3, the prices in which are 2¢ higher than in zone 1. The claim is that this increase is justifiable because of the freight on seed shipped from the Northwest, but the evidence shows that the seed crushed at Buffalo and New York are obtained mainly from Argentina (Mairs, R. 80). The record, however, does not disclose the difference in freight on seed shipped to Buffalo and New York from the Northwest and on those shipped from Argentina. But conceding that the 2¢ additional on oil in New York over oil in Minneapolis is justified by the price of seed, *yet there can be no excuse whatever for the differential of 1¢ between the price of oil manufactured at Buffalo and New York in zone 3 and the price of the same oil when delivered in zone 2.* Under this system the crusher who produces oil in Buffalo must charge 1¢ more per gallon in Buffalo or at any other point in

New York than he charges for oil shipped into Ohio, Indiana, or Michigan. No one attempts to give any reason for such a discrimination, and that none can possibly be conceived of is shown by the following testimony of Mr. Quine of the American Company:

> Q. You could make sales from Buffalo into zone 2, in certain points in zone 2, where the freight rate would be no higher or no different from sales into certain points in zone 3?
>
> A. Yes, sir.
>
> Q. Now, then, on those sales you would have to charge, although the freight rate was the same—you would have to charge a higher price on the sale into zone 3 than you would on the sales into zone 2?
>
> A. Yes.
>
> Q. Precisely. How is that justified?
>
> A. Well, that has been a common custom of the trade for two, three, or four years since I have been in it. (R. 118.)

The adoption of this zoning system was, in itself, an unlawful agreement in restraint of trade, because, while it did not fix the base price to be charged by each of the manufacturers, yet it did obligate them to observe these fixed differentials, and prevented them from meeting special competition that might exist in other zones. For illustration, suppose the conditions in zone 1 were such that a manufacturer was justified in selling oil at say $1.50 while in another zone special conditions existed requiring a lower, or justifying a higher, relative price than existed between the prices of the two zones according to this

agreement, yet the manufacturer would be prohibited from meeting these special conditions. Defendants say this is not true, because the member was at liberty to meet such a condition by making the price and immediately wiring it to the Bureau. But it was anticipated, and the records show it to be a fact, that a member would not take such a course except in the rarest instances. Furthermore, the wiring in of the new price *under this agreement automatically changed his prices in every other zone, and it was impossible to meet special conditions in two zones at the same time.* Again, suppose the manufacturers, *influenced solely by the state of the market in zone 1*, should reach a uniform price in that zone, *by virtue of this agreement the uniformity would exist throughout the entire territory of the United States.*

The allegation in the several answers that this zoning system is used by those engaged in a number of industries is true. Mr. Tompkins, defendants' expert witness, says other organizations use it, and mentions the Steel Valve Manufacturers Association and the Salt Producers Association (R. 130). In fact many *associations* use this or a similar system. But the real purpose of its adoption is the same in every instance. It is obvious that no plan to fix prices or make them approach uniformity can be successfully carried out unless some method be devised by which freight rates to points of delivery can be readily determined; and this zoning system is, possibly, the most ready method of ascertaining the rates to be charged. The same price is quoted for

every point in zone 1; and a mere glance at the map shows in what zone the point of delivery is situated, and the addition of the differential is but a child's problem in arithmetic. Thus by agreement, of which a record was made, the defendants have departed from the custom of adding to the price at the point of manufacture the actual freight to the point of delivery, and have adopted arbitrary rates applicable to all of them. It is perfectly obvious that this was done for the purpose of eliminating, or at least reducing, the pressure of competition, and of "stabilizing prices", as it is called by members of industrial associations.

MEETINGS.

The clauses in the contract between the Bureau and the members relating to meetings provide that monthly meetings should be held by the subscribers at some convenient center, of which notice should be sent out by the Bureau two weeks in advance; that the meetings should choose their own chairman, but that a representative of the Bureau should act as secretary and "present to the meeting any and all matters pertaining to the linseed oil, cake and meal industry to be therein openly discussed for the benefit of the industry and the public welfare"; that subscribers might send to the Bureau notice of matters they might wish to have discussed, and if in accord with the spirit and letter of the agreement and the object of the service, the Bureau would cause same to be docketed and presented to the meeting; that all subscribers should "report at these meetings on all

matters and conditions within their knowledge affecting the industry and within the limits of this agreement that they may be there discussed for mutual benefit''; that each subscriber present should have one vote for every thousand bushels of flaxseed; that representation of two-thirds of the votes of all the subscribers should constitute a quorum; that a member of a partnership or an agent of a corporation with proper credentials might act in behalf of the subscriber, and that the subscriber would be bound by his action; and that a subscriber failing to attend or be represented at any meeting and to "be in punctual and continued attendance thereon shall be subject to a fine of twenty-five dollars ($25.00) for each offense, the same to be collected by and payable to the Bureau" (R. 174–5).

These meetings are very important in two respects. In the first place, the provisions of the contract show that every phase of the industry that might suggest itself to the mind of any member was subject to discussion, and that each subscriber could be subjected to a searching cross-examination concerning any transaction had by him or any practice incident to the manufacture or sale of oil. In the second place, it was clearly contemplated by the contract *that the meetings constituted a body for the transaction of business in the manner in which parliamentary bodies ordinarily act, and that when an action was taken by a meeting properly organized and consisting of a quorum such action was binding upon every subscriber.* No other inference can be drawn from the provisions relating

to the organization of the meetings, and especially that paragraph which declares that the subscribers agree "to be fully bound" by the acts of their representatives. If these meetings were only for loose conferences as to the conditions of the industry their organization was unimportant and no action taken would have been binding. Therefore, by virtue of this contract every resolution properly passed was an agreement between all the subscribers.

The minutes of the meetings relating to a number of subjects are considered in discussing those subjects, but the nature of the meetings appears from the testimony of Mr. Ferry and Mr. Armstrong. Mr. Ferry says that they sent out a docket a week or two in advance of each meeting which set forth the matters that had been suggested by the crushers for discussion; that the program almost exactly followed the docket except where occasionally one discussion would lead into another channel and bring up another subject; and that most of the men who attended were the executives of the companies, and as a rule the same men attended each meeting. After the attendance was taken they had what they called the "round table," or "roll call," which was in a sense a means of clearing away any possible little misunderstandings that had been held over from the written exchange of market information. For instance, one manufacturer for his own reasons might wonder why another manufacturer had done a certain thing. The first man in alphabetical order

was, "as we say, 'put on the carpet,'" a term which meant comparatively little. Then they would go around and call the roll of the others, and each had the privilege of asking such questions as he desired of the others. He says there was absolutely no bitterness or animosity at any of the meetings; that occasionally at the "round tables" one man might ask another about the base price in some transaction which he did not understand, or there might be some detail that he wanted cleared up, but which he had not thought was important enough to write a special letter about, "and concerning which he has just said to himself, 'I will wait and ask the other man at the meeting.'" He says there had never been a discussion "as to what prices *were to be* charged by any of the crushers"; and if such a discussion seemed imminent, which had been the case at times, the Bureau promptly cut it short, or rather, cut it out altogether (R. 86).

Mr. Armstrong also gives a similar description of the meetings (R. 136).

The following entries on the minutes are illustrative of what use was made of the Round Table. In the minutes of the February, 1919, meeting appears the following:

> Round table: The roll was then called and each member subjected himself to any question on past and closed transactions, and this order of business was gone through with no questions being asked which did not meet with full explanation (R. 415).

And the following appears in minutes of the March meeting, 1919:

> Under this order of business the roll was called, and each member subjected himself to any questions on past and closed transactions, and as usual this order of business fully demonstrated its value (R. 416).

No comment is necessary to show how effective must have been the friendly companionships prevalent in these meetings as described by Mr. Ferry, and these searching examinations of each member about all of his "past and closed transactions." No doubt their value was "fully demonstrated."

COMMUNICATIONS AND ADVICE BY THE BUREAU TO ITS SUBSCRIBERS.

Efforts to suppress fluctuation of prices.

It will be observed from Exhibit 3 (R. 183–184) that there were very frequent and rather pronounced fluctuations in prices during the month of October, 1918. As the Bureau began to function on October 1, this was before the system had become effective. Mr. Armstrong says it required four or five months for its operation to fully develop (R. 135). But work was begun at once on this situation. On October 19 the Bureau sent out the following communication to its subscribers:

> The bureau is substantially impressed with the fact that in the last ten days there have been innumerable, sudden, and seemingly unwarranted price revisions by several of our subscribers, which have thrown the linseed-oil market into a chaotic condition.

So far as our investigations are concerned there seems absolutely no reason for these wide fluctuations in price unless it be that overspeculation in seed must now be adjusted by the sale of oil; and if so, all will readily agree that this is an unfair condition in the market, so far as sound manufacturing and merchandising are concerned.

There have been other instances, which we are now investigating, where a considerable quantity of oil has been sold at "special prices," greatly less than published prices, and the unfortunate part of this particular sale, from the standpoint of good business, is that competitive quotations in that particular instance show that the seller actually sacrificed much more per barrel than he need have sacrificed in order to secure the order by the "cut-price method."

The bureau's service does not presume to direct any of the subscribers in so far as prices which they feel called upon to quote, but we do feel that it is well within our province to bring to the attention of the subscribers in the most forceful manner the fact that the service as the subscribers are using it is not delivering that measure of value to each one which it is designed to deliver and will deliver, provided we can substantially introduce "INTELLIGENT COMPETITION."

Many manufacturers do not realize that in sharply declining markets presenting the "hysterical activity" which the linseed-oil market has presented in the last two weeks,

many sales which they make will act as a boomerang against them when such buyers find they have not gotten in at bottom prices.

This is one of the most substantial arguments in favor of a more or less stable market from the standpoint of both buyer and seller, and it is one of the underlying principles necessary for the successful operation of this service.

The bureau, and we feel many of our subscribers as well, are willing to concede that we can not and must not expect to put this service smoothly into operation at the onset, but each and every one must realize that from the signing of the service contract they are under very definite obligations to cooperate fairly and intelligently to the best interests of the industry, and if "unintelligent selfishness" is apparent in any of their operations to the extent of unfairly imposing upon their competitors, then we are going to have great difficulty establishing and maintaining the "100 per cent CONFIDENCE" which must obtain if the linseed oil industry as a whole proposes to stand out from the crowd as substantial coworkers under modern cooperative business methods.

This general letter to our subscribers, I believe, will further fulfill its mission if those who support my contentions, and without egotism that should be all of you, will write a letter of comment for publication through the bureau, so that each and every one may be placed on record clearly and substantially before their fellow competitors (Capitals the Bureau's) (R. 340–341).

On October 24 the following market letter containing the replies of the members to this communication was bulletined.

American Linseed Company, October 22, 1918:

> "Your market letter No. 36, in which you ask for comments on same to be placed before our fellow competitors, is received.
>
> "From our viewpoint the points which you make in this letter are well taken, and I think a review of the action of this company in a reduction of its price will bear out its opinion as to what should have been done.
>
> "It is our opinion that the whole plan of the bureau has been missed in the recent handling of prices. We believe that prices which have been quoted have not been justified for the reason that the oil on hand at the present time has probably cost more than it is being offered for at the present time. If there was to have been a considerable decline, and I am inclined to think there should have been some decline, it should only have been put in effect on oil to be delivered during December forward. October and November oil, as pointed out above, has cost more than present market prices.
>
> "I do not believe that there is any demand whatever for manufacturers to take less than cost for the goods which they have accumulated, these goods having taken more judgment and more difficulties to purchase than at any time in the history of the industry. I believe, like you, that no plan can be put into perfect working order at once, but I believe the actions of the last two weeks should be a very splendid reminder to all of

us that we can do much better without working any hardship whatever upon the buyers or upon ourselves.

"It is our opinion that the reduction has much more upset the buyers and made them more dissatisfied than any action which has been taken in a long while, for it must be borne in mind that our customers in turn have contracted for their supply at a higher price, and they are having to reduce their prices because of the manufacturer to such an extent as to probably eliminate profits."

Midland Linseed Products Co., October 21, 1918:

"We acknowledge receipt of your market letter No. 36.

"We believe that market conditions during the past three weeks have justified a considerable decline in the linseed oil market, but we believe that this decline has at times been unduly rapid. We heartily indorse your general argument and believe that all crushers should endeavor to avoid the hysterical condition which, we are inclined to agree with you, have existed during the past two weeks. Some of the recent declines, we believe, have been initiated after a considerable advance in the seed market.

"We can not refrain from calling your attention to the record of the last three weeks, as shown by your market reports. You will find that during the three weeks just past the linseed-oil market has declined 31 cents per gallon. You will find that this company has done nothing more than meet prices which have been initiated by competitors with the

single exception of one decline in the market, amounting to 2 cents per gallon."

Spencer Kellogg & Sons, Inc., October 21, 1918:

"Answering your letter of the 19th we do not feel there is anything hysterical in regard to the conditions of the linseed oil market. There are legitimate reasons for a decline in price to the present value, and we, for our part, have not planned our declines in price to take advantage of any particular order which we might have secured at that instant.

"Some feel that the advantage lies with the concern making the decline in price, but we simply took the initiative because we felt the time was ripe to have a lower price. We feel that it is a great mistake for subscribers to lower the price list just for the purpose of securing an order, and if this thought is adhered to, do not think there will be any loss of confidence among us."

The Toledo Seed & Oil Company, October 21, 1918:

"In response to your market letter No. 36, dated October 19th, with reference to the very sudden decline in the price of linseed oil, wish to commend you for presenting the matter as you have.

"It is common knowledge that whenever a market, be it oil or shoestrings, begins to drop suddenly, every prospective buyer immediately loses his enthusiasm to buy, expecting every moment the market will drop still more. Just as soon as the market turns and starts to advance, all those who are prospec-

tive buyers not only are anxious to buy, but many who have not thought of buying may show considerable interest.

"It would seem to us that a gradual decline would be much more beneficial to both the buyers and the sellers as indicated in your letter, than an apparent wild scramble to see who can reduce the fastest. However, our minds are open to correction if we are wrong" (R. 344–345).

Some influence had well stabilized the market by December 1st, as there was no change of quotation during that month, but three in January, one in February, and two in March (R. 184).

Effort to secure prompt cooperation.

It appears that some members of the Bureau were not cooperating as promptly as desired, and on November 6, 1918 a letter was sent to the subscribers by the Bureau in which the following rule was promulgated:

> If, at the expiration of a reasonable time, any subscriber has not replied to an urgent inquiry from the bureau, either with the information requested or a communication indicating that a longer time is required to secure such information, then the bureau will telegraph collect any and all subscribers, prompting them to send in such advice, and such subscribers, on receipt of said telegram, will immediately telegraph the bureau, prepaid, the information requested, or if such information can not be completely transmitted by wire, then this return telegram

shall specifically state when such information will be fully dispatched by letter. An acknowledgment by wire to the bureau's wire must be sent in any case.

"This regulation is so obviously entirely in the interests of our subscribers that the bureau has departed from its usual method of precedure of submitting such questions for approval before instituting the same, and we are taking it upon ourselves to put this order into operation on and after November 11th (R. 350).

Efforts to prevent one subscriber from bidding against another.

Some criticism had arisen over a sale made by the Ankeney Company's agent in Kansas City, and the agent had written the company a letter, a copy of which had been sent to the Bureau, in explanation, and in that letter the agent said:

> Mr. Price gave me his word of honor that he had a price of $1.50 from a responsible concern and we could not question him as he said to forget it if we did not want his order at this figure and we were urging him for the business.

The Bureau thought it of sufficient importance to send out this letter to its members with the following comment:

> The sale covered by the following letter illustrates so fully that the old Bunkum Buyer methods are still effective with the spineless salesman who is also still in our midst that the bureau publishes it as a market letter rather than as a special sales report.

Midland will assist in checking the buyer a statement in this case if he will at once investigate his agent's quotation.

Let us have our respective agents and salesmen educated as soon as possible to the point where their sales will be made at their prices—not at their competitors' offerings or reported offerings—and we shall then find that we have real salesmen, not order takers, and the industry will be better for it (R. 355).

On September 27, 1919, the Bureau wired the Midland Company calling attention to the hour at which a message reporting a price was received, and, also, to the differential of three cents in Richmond over zone 1, there apparently being a discrepancy between the price reported and that differential. On the same day the Midland Company replied showing the promptness with which their report had been made, and also saying that:

In this connection we wish to state that some of our customers advised us a day before the last decline in price on the part of our competitors that the price was going to be reduced 10 or 15 cents per gallon within 48 hours. Furthermore, we received word from several of our agents that our competitors had reduced prices several hours before we received your message notifying us of the decline in price, and you must, therefore, have either delayed in relaying the message or competitors must have delayed in notifying you of the change in price (R. 490).

In reply to this letter, on September 29 the Bureau said:

> The writer, however, is particularly interested in the information contained in the third paragraph thereof, as it bears directly upon full and complete cooperation of the various council members with the terms of the service contract.
>
> This matter of forecasting market revisions has been pretty generally covered in our past discussions; *it is also of record that the practice of a seller reducing his prices to meet a buyer's offering, as also covered in the discussions at the New York meeting, bears again on this same matter which involves the ethics of the work rather than the letter of the contract.*
>
> *Therefore, in view of the fact that these matters have been sufficiently covered in the general discussions at our meetings, it would seem in order for the bureau to actively follow up your reports,* if you will be kind enough to give us some more definite information. I am sure you will appreciate the desirability of thus cooperating with the bureau in order to correct or clear any of these matters (R. 490–491).

Of a like character was a discussion had at the meeting of September 18, 1919, as shown by the minutes. The minutes of that meeting recite that—

> Mr. Warner brought up a very interesting point as to whether or not a revision of price on the part of any council member had obtained in the past *through such company having in hand a substantial order at materially lower prices than their last reported quotations as an incentive to such a revision.*

It is further recited that—

> The issue here was more one of ethics, and as such was fully discussed, but no conclusions were attempted nor arrived at, *excepting that it was evidently the sense of the meeting that this point of ethics should be observed so that any actually unfair merchandising policy* might not result (R. 487).

Efforts to secure reports more promptly.

On January 24, 1919, a letter was sent out by the Bureau giving extracts from the minutes of the meeting of the day previous showing that action was then taken to require that reports be more promptly filed, and pointing out wherein there had been laxity (R. 378–379). At the meeting of January 23, 1919, for the purpose of determining whether or not absolutely correct price lists were being received, the following action was taken:

> Motion by Mr. Kellogg, seconded by Mr. Warner and unanimously carried:
>
> "Moved that on and after date all oil, cake, or meal sold to members by other council members must be reported in exact accordance with the provisions of the service contract, excepting that in the weekly sales report sale of such oil, cake, or meal shall be separated and otherwise specifically identified" (R. 379).

On October 1, 1919, the following market letter was sent out by the Bureau:

> All subscribers please reply.
>
> The bureau has recently been furnished evidence indicating that council members are

not living up to the letter and the spirit of the service contract in the matter of furnishing the bureau immediate notice of changes in their respective prices.

This question has been touched upon in the past and it has never been lost sight of by the bureau, but recent developments have obtained which indicate a possible violation of the bureau's rules covering this obligation.

This is a positive notification to all council members that they will be held strictly to a full interpretation of the terms of the service contract covering the exchange of this market information. If there are any violations, action will be taken at once.

Will all subscribers please acknowledge receipt of this market letter, advising the bureau that steps have been taken by them to see that the individual, or individuals, in their organization responsible for the dispatch of this information has been substantially impressed with the serious nature of this complaint and the necessity for guarding against any future cause for like complaints.

The moment a quotation to your trade has left your hands it constitutes a basis for your immediate advice to the bureau to the same end (R. 488–489).

By market letter dated October 10, 1919, it was said that replies to the market letter of October 1 indicated the need of further clearly understood regulations covering the matter, and the following rule upon the subject was promulgated:

Rule: To provide that the daily market information, as relayed by the bureau, shall at all times contain the fullest measure of "news value," it is agreed that no council member shall dispatch changes in his prices as last filed with the bureau to more than one agent or buyer *without immediately thereafter, and before sending such information to any other agent or buyer,* telegraphing such full and complete information to the bureau as otherwise provided in the service contract.

It is further agreed that the term "immediately" shall be construed to mean no greater lapse of time than thirty minutes in any case.

Your notice of support of the above rule will signify that you have already so instructed those in your employ responsible for its faithful observance (R. 496).

At the meeting on October 29, 1919, the following action was taken:

In the matter of market letter No. 805, the following legislation was moved by Mr. Nolan, seconded by Mr. Ramsey, and unanimously carried as a modification of the present method of reporting:

Moved that hereafter all reports of changes in prices of the respective council members shall be furnished the bureau in the usual manner as provided in the service contract, with the addition that all telegraphic information to the bureau covering a change in prices by such subscriber shall carry (in that telegram) the exact time—hour, day, and date—when such quotation has been made to such seller's trade, together with the exact time—

hour, day, and date—when such information is relayed to the bureau by such subscriber; and that the bureau's telegraphic report and confirmation of such information shall convey that information fully and completely and exactly as received, together with the time—hour, day, and date—when such information was received and relayed by the bureau.

It was moved by Mr. Kellogg, seconded by Mr. Mann and carried, that the following ruling, set forth in market letter No. 805, should be adopted:

Moved that in order to provide that the daily market information as relayed by the bureau shall at all times contain the fullest measure of news value, it is agreed that hereafter no council member shall dispatch changes in his prices as last filed with the bureau to more than one buyer without *instantly thereafter* telegraphing such full and complete information to the bureau as, and in the form, required by the service contract (R. 512–513).

It appeared that the Minneapolis office of the Spencer-Kellogg Company sometimes initiated prices, which that office first telegraphed to the principal office at Buffalo, and it was thence relayed to the Bureau. Because of this slight delay, the Bureau, by market letter issued on November 11, 1919, made the following comment and notice:

It will be seen that if this market information from Minneapolis would have to be relayed to Buffalo and thence to the bureau, the news value of such information would suffer materially.

> As it is possible that similar situations obtain with other council members, this is official notice that if such is the case with any other crusher, where any of his branch offices are privileged to make their own market, so to speak, without first receiving authority from the home office, it will be necessary that those branches be directly connected with the bureau on the same sort of reporting plans as obtains from the home office (R. 522).

The Midland Company, on November 12, 1919, wrote the Bureau that in its opinion the authority of a subordinate office to initiate prices was "decidedly undesirable as setting a precedent which, if followed by other crushers in other markets, will result in endless confusion, will decidedly reduce the value of the bureau service and might in the end result in the disruption of the service entirely" (R. 525). And on November 22, 1919, the Spencer-Kellogg Company wrote the Bureau that they had read this letter of the Midland Company, and that they felt that it had "undoubtedly stated truths about business management which have very general application," and that "we feel that the occasion for which we adopted the method of independent price making on linseed meal at Minneapolis has passed and are glad to say that we intend to adopt the suggestion of subscriber No. 6 to centralize at Buffalo the control of oil-meal prices" (R. 532–3).

How successful the Bureau was in securing prompt reports appears from Government's Exhibit No. 2, which is a table showing the minute when each price

was filed by the subscriber, the minute when received by the Bureau, and the minute when relayed (R. 178–183). This table begins with reports filed on November 25, 1918, and continues till April 6, 1920. Government's Exhibit No. 17 (R. 675–6) illustrates the same fact. That exhibit shows prices wired the Bureau by the Archer-Daniels Company during the year 1919. It appears from this exhibit that the Archer-Daniels Company during that year wired fifty-six changes within the following periods of time after filed: 5 five minutes after filing, 2 seven minutes, 4 eight minutes, 14 ten minutes, 1 thirteen minutes, 11 fifteen minutes, 2 twenty minutes, 2 twenty-five minutes, 2 forty minutes, 1 forty-five minutes, 1 fifty minutes, 1 night message, *5 ten minutes before prices were filed, 5 fifteen minutes before, and 1 five minutes before.* Mr. Mairs says that "the statement in the telegram (plaintiff's Exhibit 17) 'From 17th November wired bureau before wiring agents at bureau's request ten minutes' means that we wired the bureau ten minutes before we wired our quoted price to our agents (R. 102), and that they continued that practice after November 7 [17]. *Yet great emphasis is laid upon the claim that no future prices were communicated to the Bureau.*

Application of zoning system to carlots and less than carlots.

Believing that there was some uncertainty as to whether there was a uniform understanding as to zone prices relative to full carlots and less than carlots, the American Company, on January 31, 1919, wrote the Bureau as follows:

> We have advised our various stations that zone prices which we may have in effect shall include in the case of full carlots, direct shipment, freight allowance to destination, and that in case of less than carlots price shall be f. o. b. cars where we carry stocks.
>
> We shall be glad to be advised that other council members are following the recommendation which was made at the last meeting in this respect, and which conforms to the action which we have taken as above (R. 386).

By market letter issued February 14, 1919, the replies of eleven members to this inquiry were circulated among the members, each stating specifically what it was doing (R. 402–4).

It is apparent that uniformity in a practice is far more easily reached by this method than by direct correspondence between the members. Here was first in a meeting a specific recommendation made to the entire membership. Subsequently a member inquired through the Bureau of every other member as to whether or not it was observing the recommendation; and the replies of all members showing what they were doing were in a communication by the Bureau transmitted to them all (R. 402–4). A more simple and efficient method of establishing and maintaining uniform action can not be devised.

Efforts to extend the influence of the Bureau.

Efforts upon the part of the Bureau to extend its influence and to preserve the solidarity of the producers are manifested by the following actions taken by it. On April 28, 1919, the Bureau sent to the

Canadian Linseed Oil Mills, Ltd., of Montreal, Canada, a letter in which it first explained the Bureau's plan of operation and then said:

> We believe that such a service as this bureau affords, and which we have been affording for upwards of three years, is an absolutely necessary service, because we do not believe that it is possible for any group of manufacturers to maintain an agreed price (even though such agreements were lawful in this country, which they are not) for any length of time, as such agreements can not be carried out under the law of business economics, and disappointment is bound to result (R. 446).

And, further:

> Speaking for the crushers here, we can assure you that on the basis of an exchange of like information for like information we can keep you advised at all times of the prices being quoted into Canadian and other foreign markets by the American crushers, and can go farther and supply you with complete sales information, in return for which we, of course, should have at all times similar accurate information covering the prices of your company.
>
> Under our system of operation it does not obtain that with this information competitors are disposed to undersell one another; to the contrary, we have found that the market becomes fairly stabilized and naturally the sellers are immediately freed from the unfair tactics of the buyer who invariably represents that the compeititon is much below prices quoted (R. 447).

These statements of the Bureau indicate its real purpose, and from experience what it actually accomplished. It of course was cautious to state the results in modest terms.

An effort was made to get the Fredonia Linseed Oil Works Company to join the association. That company in its reply dated February 3, 1919, pointed out that its production was comparatively small and that its sales were confined to its surrounding territory, and that activities of the authorities of Kansas, the State in which it was located, rendered it inadvisable for it to become a member. The letter is quite apologetic in its tone (R. 413–15). The Bureau was not satisfied with this reply, realizing that its efficiency depended upon the percentage of oil that was produced by its members. And, on September 2, it reported in a market letter its continued efforts to secure the membership of the Fredonia Company. It stated that the Bureau had persistently followed the matter up with Mr. Wiley, their president, to the extent that, "We have now carried the question before Honorable Robert J. Hopkins, Attorney General of the State of Kansas, the reason for that action being that Mr. Wiley finally took the stand that the laws of his State were designed to prevent any cooperation whatsoever between competitors, or words to that effect" (R. 465). It was claimed that a letter had been received from the Atttorney General in which he expressed a willingness to pass comment on the explanation of this Bureau's service which it would make to him in person, and that thereupon it had notified Mr.

Wiley that it was prepared to go before the Attorney General on the condition that if his comment was favorable the immediate enrollment of the company would be expected, and the letter closed as follows:

> It is evident that we have "knocked the pins" from under Mr. Wiley's final excuse, as he sidesteps the issue and advises us under date of August 25th that he will be in Minneapolis some time in the near future and expects to take this matter up with some of the crushers in that city, and will write us fully upon his return to Fredonia.
>
> Will all council members located in and around Minneapolis please be on the lookout for the "wiley" Mr. Wiley? (R. 466.)

On September 2, 1919, the president of the National Paint, Oil and Varnish Association sent a letter to the Bureau in which it rather urged that the Bureau connect itself with that association, pointing out that practically every corroder of white lead or red lead, manufacturers of mixed paints or varnishes, manufacturers of brushes, plate glass, cans, naval stores, and in short every article that is sold to the retail trade that supplies building and decorating material was a member of that association. It referred to a number of associations that were connected with the National Paint, Oil and Varnish Association and suggested that they should call themselves bureaus of that association, apparently fearing the term association as indicated by the following:

> At present the public is becoming alarmed at the remarkable growth of trade associations.

> There is a general suspicion that the object of these associations is to increase prices. This is natural. Why do these men who have always been bitter competitors unite themselves in an association? Why do they pay large sums of money into the organization for the operation of their association? Why is it that after the associations have been formed the prices of the articles manufactured have invariably increased, with larger profits to the members? (R. 469.)

And in discussing the advantages of such connection it was said:

> I believe, therefore, that if all of the associations in the allied industries that are members of the N. P. O. & V. Association would call themselves bureaus and their secretaries "assistant secretary" of the N. P. O. & V. Association, and thereby take themselves out of the class that is very soon to be critically examined by the public and Government, they would display rare tact in so doing. Even cost sheets, which were displayed in full to the Government during the war and are now being given to members of the several institutes, could without detriment, in my opinion, be reported to the secretary of the N. P. O. & V. Association. *The only persons from whom ordinarily we would desire to conceal our cost sheets are our competitors. If we are giving this information to our competitors we certainly would suffer no harm by giving it to the association.* However, at this time I am not seeking to go that far. Any information which the flaxseed crushers of America or the other associations

> mentioned deemed unwise to give to the public, need not be given. Enough can still be given to make the national association a distributor of important statistical information (R. 469–470).

This matter was taken up with the members of the Bureau; and in a letter from Mr. Armstrong to the National Association dated September 25, 1919, it was stated that the matter had been under consideration at a meeting of the members, and they were clearly averse to the intimate alliance with the National Association as suggested, possibly because of the fact that the Bureau's group was not altogether in sympathy with the association plan of cooperation, and preferred to maintain and emphasize their identity as individual subscribers "to this cooperative service"; but that, "On the other hand, the meeting was quite in sympathy with any amplification of the present exchange of statistical information which would work out to the mutual advantage of both buyer and seller, and to that end the bureau is commissioned to suggest for the consideration of your association an exchange of statistics (R. 486). It does not appear, however, that any alliance between the Bureau and the National Paint, Oil and Varnish Association was ever perfected.

Withdrawal of Spencer-Kellogg Company.

It appears that during the week previous to January 26, 1920, the Spencer-Kellogg Company gave notice of withdrawal from the Bureau. Because of this notice a lengthy letter was published by the Bureau of

that date pointing out the great efficiency of the Bureau and its accomplishments. The principal reason assigned by Spencer-Kellogg Company for withdrawal was that the Bureau had caused other concerns to enter the industry, which would bring about over-production. It was manifestly thought that this was brought about by an increase of prices, thus making it an attractive field for one entering business; but it was shown in the letter that there had not been a substantial increase of the capacity of the mills since the organization of the Bureau. It was further said that the Bureau could greatly assist in procuring purchasers of the mills of members at advantageous prices, as those desiring to enter the industry would likely prefer to buy a plant in operation to building a new plant (R. 582–3). However, the Spencer-Kellogg Company did not withdraw its resignation, which took effect on February 20; and it was stated in a market letter that—

> Their resignation, as explained to me, is based entirely on the fact that their property interests in the industry are such that further expansion in any of the present plants, or the building of additional linseed oil plants by other interests reported to be coming into the industry would jeopardize those interests.
>
> They further contend that the constructive results accomplished for the industry through the efforts of the council under the bureau's service have directly contributed to that end (R. 590).

The letter then gives a list of the presses that had been installed since the organization of the Bureau as fifteen in number, all of which were being installed when the members subscribed (R. 589–590). It is remarkable that with oil selling at such an enormous price no other producers are shown to have entered the field, or the extension of existing plants begun during the existence of the service. The causes must have been a tacit understanding among the producers and fear entertained by outsiders of the close combination of the producers through the Bureau.

Terms of sale.

The council also had before it at various times the question of terms of sale. The following extract from the minutes of January 23, 1919, appears in market letter issued January 24, 1919:

> The following resolution, made by Mr. Kellogg and seconded by Mr. Ramsey, was unanimously approved:
>
> "Resolved, That this council's recommended terms for the sale of linseed oil be 1 per cent ten days or thirty days net, trade acceptance from the date of shipment, and all members instituting these recommendations, or any others, shall advise the bureau of such action not later than January 27th" (R. 378–379).

The matter was discussed at some length at that meeting.

The following also appears in the minutes of the same meeting:

> With further general discussions on this matter it was finally concluded that a new set

of recommendations covering terms and cash discounts for the consideration of the council members was now in order.

The following resolution was then offered by Mr. Kellogg, seconded by Mr. Ramsey, and unanimously carried:

"Resolved that it now be recorded that the recommended terms of this council for the sale of oil be 1 per cent discount for cash settlement in ten days, or thirty days net trade acceptance from date of shipment, and in order that a specific list of the terms of sale of all the council members may now be compiled and distributed, it is further resolved that all council members shall send to the bureau, not later than January 27th, a full explanation of the terms of sale as quoted by them to their trade" (R. 382).

The Archer-Daniels Company wrote the Bureau as follows:

We have letter from one of our customers as follows:

"One linseed oil crusher has restored the former cash discount 1 per cent 10 days, and one crusher has made same retroactive to November 1st, 1918. We believe you should do the same on such oil was we have purchased from you during this period."

Will you please bulietin the members of the bureau and ask if this is the general practice? (R. 394.)

This letter was relayed to the members by market letter dated February 6, 1919. (R. 393–394.) In market letter dated February 12, 1919, replies of twelve members to this inquiry were circulated

(R. 399). This inquiry coming so quickly on the action of the members in council assembled was manifestly intended to check them up, and ascertain if they had all promptly put the resolution into effect. It will be observed that the resolution said nothing about whether it should be retroactive or not. The replies indicate that some had made it retroactive in all instances, others in just a few, and still others not at all; but apparently all had adopted the discount recommended.

There was a strong effort to secure uniformity with reference to requiring customers to execute trade acceptances. To ascertain to what extent such acceptances were being used by the several members, market letter No. 302, which does not appear in the record, was sent out. Answers of eleven members to this inquiry were embraced in a market letter sent to the members on March 17, 1919 (R. 427–429); and on March 26, 1919, the following excerpt from the minutes of the previous meeting was circulated in a market letter:

> The matter of the enforcement of the terms of the various council members using trade acceptances was then brought up by request of Mr. Matthews, and the discussion of this matter developed the fact that all council members using trade acceptances in their terms were using the utmost effort to secure a strict adherence to those terms by their trade, the only members not advocating or using trade acceptances being the National Lead Company and the Minnesota Linseed Oil Company (R. 438–439).

Thus within a very short period of time practical uniformity in this matter had been secured.

As bearing upon the question of discounts, the Archer-Daniels Company on January 20, 1920, wrote the Bureau the following letter:

> Your remarks on credit inquiry No. F2, Jan. 19th, received today; we note that one subscriber has made the following statement:
>
> "We have a satisfactory guarantee of this account, and under this guarantee we have extended them banking accommodations for 60 days at the legal rate of interest."
>
> It seems to us that in view of the fact that we are in the linseed oil business and not in the money-lending business this falls under the head of unfair merchandising competition. It is our understanding that the universal terms extended by all council members consisted of 1 per cent for 10 days or 30 days trade acceptance.
>
> Would it be proper to ask the subscriber his reasons for continuing this 60-day financing arrangement with Frazer Paint Company? (R. 579.)

Carrying oil after purchased.

There was considerable correspondence and much discussion at the meetings with reference to the practice of some members of carrying oil for the purchaser after the contract period for the taking of such oil had expired. The following appears in the minutes of the meeting of December 3, which was bulletined in market letter of December 12, 1919:

> There was then a discussion of the cost to the seller of carrying linseed oil for the buyer after the contract period for the taking of such oil had expired.
>
> It was shown in this discussion that a very substantial expense to the seller was involved, *and that any failure to recognize such an expense would develop an unfair merchandising practice, and that the council to anticipate that situation should definitely record itself to that end*
>
> It was the sense of the meeting that this council should recognize the fact that an average cost to the seller for carrying oil for the buyer over the time of the contract period for taking such oil represents not less than one cent per gallon per month, or fraction thereof, and that this matter should receive the immediate and full consideration of all, and each should report such merchandising policies as he shall have individually instituted to cover the same not later than January 1st, 1920 (R. 547).

This bulletin invoked a number of replies. Goodrich Company replied on December 15 that under its new contract it would stipulate a charge of 1 cent per gallon per month or fraction thereof instead of half a cent as theretofore (R. 549). Spencer-Kellogg Company replied that it favored the storage charge (R. 550).

Archer-Daniels Company replied on December 15 that from that date forward it would make a charge for carrying oil over time of 1 cent per gallon per month (R. 551). On December 19 the Archer-

Daniels Company wrote the Bureau that it had decided to again reduce its carrying charge to one-half cent per gallon per month (R. 551). On December 23 the Bureau wrote this company a very caustic letter, as follows:

> It is in order for the bureau to comment on your communication above referred to, and published in market letter No. 1069, as exemplifying an "over night" change in policy which is hardly in keeping with the constructive cooperation of your company to date, and which can not operate to the best interests of the industry.
>
> You will remember that a general review of this cost question indicated that 1 cent per gallon per month was a fair carrying charge and would not any more than cover the cost of such service.
>
> *It is constructive merchandising and wholly lawful for any group of manufacturers to arrive at conclusions regarding costs, and it is not fair merchandising for any seller to merchandise at less than cost.*
>
> With these facts clearly in mind, the recommendations were made at the last meeting and fully supported, and as the records show, those council members instituting this merchandising policy have unquestionably sent out a notification to their trade.
>
> On December 15th you announced a support of that policy published in market letter No. 1058, and on December 18th you reversed your decision, based on deductions made by subscriber No. 12 in his letter published in

> market letter No. 1054, which hardly seems to have any bearing on this question of carrying charge, as subscriber No. 12 comments only on the question of variations in freight rates, and you will readily see that *if the bureau does not do what it can to prevent vacillation in matters of possibly minor importance, which this may represent—we may be confronted with the same undesirable situation when merchandising questions of greater importance must be handled with dispatch and certainty for the best interests of the industry and the trade.*
>
> Under the circumstances, the bureau asks your further consideration (R. 555–556).

On December 29 the Hirst & Begley Company reported that they were charging storage of one cent per gallon per month (R. 562). On the same day Northern Linseed Company stated that for a year it had made a charge of one cent and expected to continue to do so (R. 562). On the same day the Toledo Company wrote the Bureau that it had revised its contract form so as to require a storage charge of one cent per gallon per month (R. 563). On November 20 the Ankeney Company wrote that it was going to get out a new contract and would provide therein for the carrying charge (R. 570). On December 31 the National Lead Company notified the Bureau that its carrying charge was one cent per gallon (R. 570). On January 6, 1920, Sherwin-Williams Company wrote the Bureau that effective January 1, 1920, it had made a carrying charge of one cent per gallon per month (R. 570). By market

letter of January 16, 1920, there was bulletined to the members of the Bureau the following excerpt from the meeting of January 7, 1920:

> The bureau then advised the meeting that in the matter of carrying charges on oil not taken within specified time of the contract, each and every council member had reported his practice, *and that these reports showed a uniform charge of one cent per gallon per month or fraction thereof* (R. 576).

Thus between December 3 and January 7 absolute uniformity of charge in this particular had been brought about through the agency of the Bureau.

Views of purchaser of oil with reference to effect of Bureau's activities.

The effect of the activities of the Bureau and of the conduct of the linseed oil manufacturers who were subscribers thereto upon prices of oil and competition in the trade is indicated by a letter written to the Spencer-Kellogg Company by one of its representatives and transmitted to the Bureau, and by it bulletined to the several members by market letter on July 16, 1919. In that letter the writer made the following observations:

> Now we find that the consensus of opinion among our buyers is that they feel that the price of linseed oil is made by one crusher and followed by the other crushers who are subscribers to this service.
>
> This they base on the fact that they have noticed recently that whenever one crusher came up with an advance or a decline the

other crushers who have representatives in Milwaukee have followed the advance or decline within a very short time.

One went so far as to state that he thought it would go bad with anyone allied with this service if he did not see fit to follow in line, and that also from his own personal observation he was now getting better service from the different representatives in that he got protection against an advance which had already been assured him from information received from the other crushers, and that he could always rely on one taking an order after he had information of an advance (R. 450).

Investigation by Department of Justice.

From an announcement made by Mr. Armstrong at the meeting of February 13, 1920, it appears that an agent of the Department of Justice called upon him on the previous Monday stating that a complaint had been made regarding the operations of the linseed oil manufacturers through the Bureau service, and that the Department desired to make a full and complete investigation of its operations and service to that end (R. 596). The members were, of course, thereafter cognizant of the fact that they were under investigation; and naturally the same uniformity of prices was not maintained thereafter.

INQUIRIES AND EXCHANGE OF VIEWS THROUGH MARKET LETTERS.

Advantage was frequently taken of that clause in the contract which provided that any subscriber, who had made a quotation to a prospective buyer that was not accepted, might advise the bureau of

his quotation, giving the details of its bid, and request the bureau to bulletin all of its subscribers, asking specific information regarding any quotation or sale to such prospective buyer by any other subscriber, and that the Bureau would immediately bulletin the other subscribers, and upon receipt of replies would compile them and circulate them among the subscribers so that each would have a complete report of the transaction. Such of the correspondence arising under this provision as was introduced appears in Government's Exhibit No. 11 (R. 337–606). Notwithstanding the great amount of this correspondence in the record, yet from the numbers of the market letters manifestly but a part of it was offered. So large a number of the letters are here cited and substance given because many of the inquiries and replies thereto are peculiar within themselves; and they show how persistently a member was pursued for but slight infractions of their regulations, and how greatly the members in conducting their business must have been influenced, not only by actual inquiries, but by the knowledge that they were liable to be called to account for the slightest deviation from the course of conduct mapped out by the Bureau and the council.

On October 5 the Midland Company wrote the bureau that on October 4 it sold to Cataract Refining Company a tank car of oil for October shipment at a certain price, but that on the 5th it had been asked to cancel the order, the purchaser claiming that it had received a quotation from Archer Daniels Co. of $1.63 (R. 337).

This communication was bulletined, and on October 7 Archer-Daniels Co. wrote the bureau that on October 3d it quoted Cataract Co. a tank of raw oil at $1.73 delivered at Chicago, but that it reported that it had bought the oil at two cents per gallon less than the quotation. This letter was also bulletined (R. 338).

All the manufacturers sent replies from which the bureau concluded that "it is evident that the business was placed outside of our list of manufacturers" (R. 353). This is illustrative of numerous inquiries through which it was ascertained that quotations on sales at a reduced price were made by other producers than subscribers to the Bureau.

On October 18, 1918 a wire from Spencer Kellogg Co., to wit: "Advise immediately details your last quotation on sale Patton Paint, Milwaukee" was bulletined to all the members (R. 340).

On the following day a report showing replies of all but two subscribers who were called delinquent was was circulated. These replies show exactly what each one of the reporting subscribers had done. The Midland Co. reported: "Sold Patton Paint yesterday, tank car, raw, $1.47, delivered Newark; hundred twenty barrels cooperage, $1.53, raw basis, direct shipment, delivered Newark; hundred twenty barrels, dollar fifty one, raw basis, cooperage, direct shipment, Milwaukee, all prompt shipment." To this report the bureau wired the Midland Co.: "Your sale Thursday Patton Paint Co. should have been immediately reported by wire; see contract, line 273; also line 291.

The fact that you reported this sale by letter only, when quotation and sale both should have been reported by wire, has resulted unfairly to other subscribers. Please give full explanation by letter entire situation" (R. 341–343).

The Midland Company then wrote more fully, and a communication explaining the matter was then sent to the several subscribers; and it was concluded that "the information now published entirely clears the transaction and shows that subscriber accepted the business in strict accord with his filed prices and that the entire correspondence could have been avoided had the future delivery been evident in the initial communications" (R. 345, 346).

On October 19, 1918, Ankeney Co. wrote the Bureau that their representative had on that date quoted the Letton Paint & Varnish Co. and that it replied that it had quotation from Spencer-Kellogg Co. at $1.50 for carloads November, which was three cents under the price the Ankeney Co. had quoted. It desired to know if the information was correct (R. 343). The Spencer-Kellogg Company, after having communicated with its Kansas City representative, replied that their reduction to $1.50 was not quoted to the Letton Paint & Varnish Co. until the forenoon of October 19th, and that "under the circumstances *our representatives in Kansas City have been unjustly accused*" (R. 348).

On November 5, 1918, Spencer-Kellogg Co. wrote the Bureau that on October 29 their representative reported that the Midland representative, while

quoting openly their advanced price, continued to protect the trade on a basis of $1.55 raw oil in cooperage, and that, notwithstanding the fact that several transactions had been booked at $1.66, sales made on that basis were voluntarily reduced to $1.55 on arrival of car (R. 351).

On November 8 the Midland Co. replied, that on October 29 and subsequent dates its Knoxville, Tennessee, agent was authorized to quote their regular prices; that no special quotation had been given on any recent date, and no sales had been reported since October 29 at less than their regular price; and that the statement that sales made at $1.66 were voluntarily reduced to $1.55 was incorrect, as no car had arrived in Knoxville since October 1 (R. 355).

On November 5 Spencer-Kellogg Co. wrote the Bureau that its representative had reported that the Archer-Daniels Co. was selling through its representative, the DeSoto Paint Manufacturing Co., spot oil at $1.53 raw basis, etc. whereas their price "as established through information as received from you, was $1.58, raw basis for warehouse delivery, or $1.56 carload lots, direct shipment" (R. 351).

On November 9 the reply of Archer-Daniels Co. was circulated in a market letter, which was as follows:

> It seems our agent did sell two barrels of oil on the basis of $1.53, as he states, even against our orders not to set a price. We inclose communications on the subject from which you can quote as you think best, *but we hardly think that agency will again vary from our instructions* (R. 354).

The representative in his letter stated that he would not have taken the order had it amounted to very much, "but I thought it best not to let one of our customers wander away for two barrels of oil, and a difference of two cents a gallon. Please advise me if I did right" (R. 354). Yet for this small infraction of the regulations he was given a severe reprimand, and his letter was circulated among all the subscribers.

On November 8, 1918 the Archer-Daniels Co. wrote the Bureau that it had received communication from its agency in New Orleans that while its price and the price of other agencies was $1.66 the price of the American Company was $1.64½. The Bureau in the bulletin of November 19th said:

> Will the American Linseed Company in particular and all other subscribers as well advise the Bureau promptly what price their agents in New Orleans were instructed to quote and quoted under date of November 15. This is a case where actual facts should be checked and if your records do not verify the contentions made by Archer-Daniels' agents,

then the matter should be checked by direct communications with their agents so that the replies would give complete and accurate details of all quotations made on that date (R. 357).

On December 2 the replies of the several members were bulletined, among them the reply of the American Company, which said that it was possible that they were in error in making a quotation to their St. Louis office November 15th. That office had wired for a price on fifteen barrels each month from Novem-

ber to March without designating point of delivery, and they replied they might sell at $1.61, which was the warehouse price. Their agents had since advised them that the inquiry came through the New Orleans office, and they quoted $1.61 f. o. b. St. Louis. They had since advised their St. Louis manager that *thereafter quotations for delivery in New Orleans from New Orleans local stock must be four cents over the St. Louis price*, but that he could make quotations for New Orleans, actual shipment from St. Louis, at the St. Louis price f. o. b. that point (R. 361, 362).

On November 22 the Red Wing Co. wrote the Bureau, that on the 20th it had made a quotation to Peaslee-Gaulbert Co. of Louisville, and not having heard from them they were interested in knowing whether or not they actually made a purchase on that day (R. 359).

The Hirst & Begley Co. replied on the 23rd that on the 21st they made a sale to that company at $1.59, their regular price, which from the replies appears to have been the same price submitted by the Red Wing Co., and also by the American Co. and the Midland Co., they being the only members which appear to have quoted (R. 361).

On December 4 Spencer-Kellogg Co. wrote the Bureau calling its attention to certain reports indicating prices quoted by subscriber No. 1 (American Company) in various zones, there appearing to be a difference in the reports of five cents a gallon in some cases, six cents in others and in one seven cents. One report also indicated a reduction in price in zone

6 of one cent under the price shown in another report; and the writer stated that they had never been notified of those changes until the confirming reports reached them (R. 363).

The American Co. replied on December 7 stating that after their telegram was dispatched advising change in price they made out their price list; and in checking they found that in previous reports the zone differentials were incorrect. They were corrected in the last report, but they did not think it was necessary to advise by wire; however "in the future we will report such as the above by telegram and hope that this explanation will straighten matters out" (R. 363).

On December 11 Spencer-Kellogg Co. wrote the Bureau asking that it ascertain as to the accuracy of a report that the Midland Co. had quoted a customer located in zone 3 on the basis of $1.48 raw oil and tank cars; stating that they were informed that such a quotation was made by that company's Pittsburgh representative, whose office was located in zone No. 2 (R. 364). On the same day the American Co. asked an explanation of the prices quoted by the Midland Co. to the Allentown Paint Manufacturing Co. of Allentown, Pa., or the Wilhelm Co. of Reading, Pa., on raw oil in tank cars, December and June deliveries at $1.48 per gallon, which differed one cent from the subscriber's published price in zone 3 (R. 364).

On December 19 the Midland Co. replied that their agent in Pittsburgh denied that he had submitted quotations in zone 3 on a basis of $1.48 per gallon

in tank cars, but stated that he had been making out some cards giving the Pittsburgh price at $1.48, two or three of which had gone to customers in zone 3 who probably by mistake thought the price applied to that zone (R. 367).

On February 4, 1909, Archer-Daniels Co. wrote the Bureau making the same complaint against the Midland Co. (R. 393).

On February 12 the Midland Co. wrote again stating that the agent denied having made any quotations at less than the company's published price, and stating that if subscriber No. 3 (Archer-Daniels Co.) would give particulars regarding the customer who reported having received lower price from the Pittsburgh agent they would make further investigation (R. 400).

On February 14 the Archer-Daniels Co. replied that their agent at Philadelphia reported that A. Wilhelm Co. had notified him that he had a price in Pittsburgh from the Midland Co. "*at a cent less than our quotation*" (R. 406). What the final outcome of the inquiry was does not appear.

On January 4, 1919, the Spencer-Kellogg Co. wrote the Bureau that it was reported that subscriber No. 11 (the Sherwin-Williams Co.) was offering to the District Sales Department at Cleveland re-sale oil at $1.55, the oil having been purchased from outside sources. And it was suggested that inasmuch as the oil was being offered by a subscriber, notwithstanding the difference in departments, it was virtually a change in the selling price, and should be reported through the usual channels (R. 370).

On January 8th Sherwin-Williams Co. wrote explaining that the district sales department bought the oil from a local brokerage concern at a less price than $1.55, at which it was sold, and stating further that their representative "explained this at the first or second meeting of the Association, that it was possible that our districts or divisions might have business of this kind as they have the power invested in them to purchase oil and sell it at any figure that they choose. It is understood that they always make a profit if possible. The linseed oil mill operating under the name of the Sherwin-Williams Co. has no jurisdiction over these districts or divisions and never has any oil to sell them, and if the linseed oil department would make a sale to any of our auxiliaries it would be made on the same basis as followed by other crushers; namely, the market price carrying with it the usual returns" (R. 372). In other words the Sherwin-Williams Co. even reported sales made by its oil mill to its paint and other departments.

On January 8th Spencer-Kellogg Co. wrote the Bureau that the Simmons Hardware Co. of St. Louis claimed to have bought oil on January 4th from a crusher's representative "at one cent better than our warehouse price of $1.56". The Bureau was asked to ascertain what the facts were (R. 371).

The replies were bulletined on January 15th, from which it appeared that none of them had made a sale of the kind mentioned except Archer-Daniels Co., who wrote that they had received an invoice from

their agent in St. Louis at $1.55 raw and $1.57 for boiled, *that they immediately telegraphed him not to sell below $1.56, and asked him why he had done so,* and that the agent replied:

> In the last few weeks we have sold Simmons Hardware Co. a few small orders on the basis of $1.55, as we were led to believe that Kellogg had sold them on this basis. We, however, have only their purchasing agent's word for this and have not heard of their selling to others at this price. We will hold our price firm at $1.56 until further instructions (R. 376).

The Archer-Daniels Co. further said they did not understand why the agent sold below the price given him, and that "we have given explicit instructions not, in any case, to vary from our price in the future, *and don't think there will be any further occasion for reporting oil sales at less than our market price* (R. 376).

On January 9, 1919, the American Co. wrote the Bureau stating that they would be glad if it would bulletin subscriber No. 6 (the Midland Co.) with a view to straightening out sales which were made for the week ending December 28th, and a list of the sales was given (R. 372, 373).

On January 4th the Midland Co. replied explaining that prior to December 28th they had erroneously included in their weekly reports only less than carload lots which were not reported in their daily reports, which weekly reports showed the actual price obtained for delivery from warehouse; but commencing with December 28th it included all sales in the weekly

report; and they understood *that the council had decided to use the price of oil in barrel carload lots as the basic price;* and they had therefore deducted three cents per gallon from the price of deliveries made from their warehouse (R. 376).

On January 24 Spencer-Kellogg Co. reported to the Bureau a conversation which their St. Louis representative had had with the purchasing agent of the Simmons Hardware Co. in which the agent had said that he might be able to buy oil at $1.46 to-day, the order not to be turned in for forty-eight hours. If it went down he got the benefit of the decline, if it went up he would get it at $1.46; and that he might buy a carload of oil to-day, the market being $1.46 raw and pay a premium of 1 cent per gallon, or $1.47, with protection for thirty days on any undelivered portion should there be a decline. And the Bureau was asked to bulletin the subscribers with a view of ascertaining if they knew of any such agreement (R. 380).

On February 5th a market letter was issued quoting at length from the answers of the several subscribers in which they all denied making any such arrangements and condemned any such conduct; and the letter concludes thus:

> We can believe that none of the council members can possibly have such an arrangement, as it manifestly is a practice which is detrimental to the best interests, not only of the crushing industry, but to the trade as well (R. 391–393).

In the face of such searching inquiry and the obligation upon the part of each company to state the facts it goes without saying that neither of them thereafter would dare make any such arrangement with a purchaser.

On January 28, 1919, the Midland Company wrote the Bureau that it had information from a customer that an agent of the Ankeney Company was offering oil *with the price guaranteed against decline*, and suggesting that it was such an unusual variation in "the usual terms of sale" that it should be reported as a part of the subscriber's price list (R. 383). On January 31 the Ankeney Company replied to the Bureau that their Kansas City agent had reported the error, to which attention was called, a few days previous and that, "They tell us that they promptly issued a correction calling attention to their error and to the article on which the guaranteed price applied. Our agents regret the mistake very much" (R. 387). Of course no member thereafter guaranteed against decline.

On January 29, 1919, Spencer-Kellogg Company wrote the Bureau that they were advised that the representatives of the Midland Company were offering oil on the basis of $1.39 in cooperage for January to April shipment, which was 5c below the Midland's published price for that zone (R. 385). On February 7 the Midland Company replied through the Bureau that their representative had offered some resale oil for account of one of their Cleveland customers and that "we have fully explained in our letter today to

the Smead Company the embarrassing nature of such transactions and that such a quotation places us in the position of *violating our service contract, and we have issued positive instructions to the Smead Company to discontinue such offerings in the future*" (R. 396–7).

On February 3, 1919, the Spencer-Kellogg Company wrote the Bureau that they had been informed by their Boston representative that the U. S. Gutta Percha Paint Company had, about January 15, bought a carload of oil from a representative of the Midland Company on terms of 1 per cent cash in ten days, *when the Midland's published terms were sight draft against documents*, and that they were also informed that the Acme Company, with whom the Boston agent of the Midland Company was connected, had been in the Boston market for some five years offering oil in small lots of five or ten barrels and "always at 1¢ under the prices quoted by all of the large crushers, at the time including Midland. In other words, the purchaser would get a quotation from any of the crushers and would then call Mr. Gale on the phone and he would sell them at 1¢ under the market," and the writer inquired what arrangement the Midland had with those people (R. 387–8). On February 6 the Midland Company replied through the Bureau that they had no selling arrangement with the Acme Company, and that that company received no protection from them (R. 395). On February 13 the Midland sent an additional reply stating that they had been informed by their Boston agent that it was not true that the

Acme Company was quoting prices 1¢ less than the prices of the crushers (R. 401). This inquiry shows how every arrangement of a crusher with every dealer was laid bare to all of its competitors.

On February 24, 1919, Spencer-Kellogg Company wrote the Bureau that they had observed from a sales report that Subscriber No. 1 (The American Company) had on February 8 sold 300 barrels in zone 3 at $1.43, which was 2¢ under their filed price, and inquired whether the price reported was correct, and if so, whether it was for export shipment, suggesting that if it was for export shipment "it was agreed by all subscribers to the Armstrong service that these sales should be reported as export sales" (R. 409–10). On February 27 the American Company replied that the sale was for export, and that "it was our error in not showing same on our daily sales report," and promised that in the future when making export sales they would show that fact (R. 412). This inquiry shows with what minute care the subscribers inspected all the reports of their fellow members.

On February 26 the American Company inquired through the Bureau of Subscriber No. 6 (Midland) for the details of a sale made February 19 of 60,000 gallons to the Standard Oil Company. The report showed it was made at $1.39 prompt direct shipment, and it was inquired what allowances if any were made for delivery (R. 411). On March 30 the Midland Company replied through the Bureau that the sale was made at $1.39 delivered at Long Island

City, and that if delivery were made in tank boats of the company an allowance of 7¢ per hundred pounds would be made for use of the boat and the cost of delivering the same from Edgewater to Long Island City (R. 416). On March 10 the Spencer-Kellogg Company joined in the correspondence about this sale inquiring whether the allowance of 7¢ per hundred pounds was in addition to the cost of delivering from Edgewater to Long Island City, and stating the reasons for the inquiry, and asking the Bureau to "please bulletin Subscriber No. 6 (Midland Company), as we are anxious to ascertain full details concerning the terms on which the transaction was booked" (R. 421–2). On March 14 the Midland Company replied to this inquiry that when the sale was made they assumed the allowance would be 7¢ per hundred pounds, which is the amount they had previously allowed the Standard Oil Company, but that after communicating with their New York office they had found that the allowance actually granted was the freight rate from Edgewater to Long Island City, or 15½¢ per hundred pounds (R. 426). Thus the minutest detail of this transaction was made known to all the members, when apparently in the beginning only the agent of the Midland Company who actually made the sale knew the exact allowance for freight that had been made the Standard Company.

On February 27, 1919, the National Lead Company wrote the Bureau stating that Subscriber No. 12 (Spencer-Kellogg Company) had quoted the Horn Company of Long Island City on or about February

4 a price of $1.44 for delivery in April, and suggested that the subscriber be asked to state what the facts were (R. 412). On March 8 the Spencer-Kellogg Company replied denying that they had quoted the Horn Company a price of $1.44, and stating that their New York representative had written them that he did not quote those people "any other price than our filed price at the time, which was $1.45 raw basis direct shipment," and further stating that "*we have at no time deviated from our filed price list*" (R. 419).

On March 4, 1919, the American Company wrote the Bureau quoting a letter it had received from one Currier, manager of the Hansen Paint & Glass Company of Sioux City, Iowa, to the effect that they had been offered oil on consignment from two different sources, and that in consideration of storing it in their warehouse they could take it out on the carload basis price, having the oil invoiced to them on the dates of their taking it out of stock, which would enable them to purchase the entire lot if they felt the price was going to advance, or they could take it at the carload market price as used; and the American Company asked that the subscribers be bulletined with the view of getting a report as to whether any of them had offered the Hansen Company that kind of a deal, and stated that its position was, that it would be silly in a town where they had a producing mill to allow competitors to make that sort of an arrangement with jobbers and not be able themselves to give them the same facility, because their terms then read 3¢ additional per gallon for delivery to trucks or drays at

mills or warehouses (R. 418–19). On March 17 a market letter was circulated giving the replies from eleven of the members, in which they declared they had no such arrangement. The reply of the Ankeney Company was published, which concurred in the views of the American Company in condemning any such arrangement. However, it appeared from the reply of the Midland Company that it was the offending party, and its defense was that the American company had an arrangement that was equally subject to criticism. The Spencer-Kellogg Company stated in its communication that "there is an important question raised here that should demand the careful consideration of all crushers, *and we suggest that this subject be a matter of discussion at the next meeting of the council members*"; and it was said by the Bureau, *"the subject will be docketed for discussion at the next meeting, as suggested"* (R. 429–31). On March 19 the American Company wrote the Bureau that it was not complaining of the arrangement made by the Midland Company, but was only trying to check up the basis on which "*it was made with respect to price*" and that "*as long as no deviation was made from their published price by the Midland Company without notice we are perfectly satisfied*" (R. 434). This is another illustration of how the details of every arrangement made by a subscriber was laid bare to the entire membership, and how uniform action in every particular was secured.

On March 7, 1919, the Spencer-Kellogg Company wrote the Bureau that they were informed by their

Baltimore representative that subscribers Nos. 3 and 8 (Archer-Daniels and National Lead companies) were selling oil in Washington at the same price that they were selling in Baltimore, making no extra charge for freight, while the writer and subscriber No. 1 (American Company) had been adding sufficient to offset the freight charge, and the subscribers mentioned were asked if that was not contrary to their filed price list (R. 420). On March 13 the American Company with reference to the same matter stated it was advised that the Midland Company also had been quoting Washington the same price as Baltimore, and that it was claimed that the representatives of the National and Archer-Daniels companies had been paying no attention to the trade acceptance feature of the terms of sale (R. 422–3). On March 28 the replies of Archer-Daniels and National Lead companies were bulletined, in which the Archer-Daniels Company said, "*Our agent has sold oil in Washington at our Baltimore price. We have instructed him to discontinue the practice.* He did it without consulting us." The National Lead Company humbly admitted, "*We are guilty, are sorry and have completely reformed.* * * * Some of the responsibility therefor rests upon the undersigned for not having as clearly defined our selling position to our representative there as should properly have been done. We repeat that, *during several weeks past our quotations in that market have been strictly in accordance with those filed with the Bureau.*" (R. 440.) Thus thereafter Washington purchasers had to pay

for oil the Baltimore price plus freight, instead of the Baltimore price, at which they had previously been able to procure oil.

On March 13 there seems to have been quite a flurry about conditions at Albany. Spencer-Kellogg Company wired the Bureau that they had reliable information that the American Company was meeting Kellogg & Miller (not a member) competition at Albany at $1.52, and the Bureau was asked to ascertain if that was correct. This wire was repeated to the American Company, which immediately wired: "Our published price Albany $1.53 warehouse delivery not selling under this." Spencer-Kellogg Company also wrote the Bureau on the 13th that their Albany representative advised that Kellogg & Miller Company was sending out quotations at $1.52, and that the American Company was positively meeting that competition, and had actually made a sale at $1.52 to Walker & Gibson, of Albany, and the Bureau was asked to ascertain whether the information was correct (R. 424). The Bureau requested the American Company to please reply relative to this specific case. On the 14th Spencer-Kellogg Company again wrote the Bureau with reference to the same transaction, and requested that they bulletin Subscriber No. 1, "as we are anxious to ascertain whether or not a consignment arrangement still exists between the subscriber and the customer in question, *whereby it would be possible for the customer to get an allowance of any kind that would make it possible for them to consider the purchase price of these*

five barrels at anything under the $1.53 price as published by said subscribers" (R. 425–6). On March 17 the American Company replied that the sale in question had been billed at $1.53 with no deductions, but they had taken it up with their Albany representative and requested Spencer-Kellogg Co. to ask Mr. Evans where he got his basis for advising competitors that the price was under $1.53 (R. 431–2).

On March 19 the Spencer-Kellogg Company again wrote the Bureau that their representative at Albany had advised that the same customer, Gibson, Snow Company, Mr. Evans buyer, had purchased another five barrels from the American Company at less than its published price, and closing *"Under the circumstances we anxiously await a report from the subscriber in question. Please give this matter your immediate attention"* (R. 433). On March 19 the American Company further replied that the representative of the Gibson Company had stated that he could buy oil in less than car lots at $1.52, but denied that he had said that it was the American Company that was making a price less than $1.53 (R. 435–6). On March 22 the American Company wrote the Bureau: "Please be advised that on the 5 bbls. which Mr. Evans, the buyer of the Gibson, Snow Company, claimed he could buy from us at a better price than $1.53, upon our representative reporting that he had sold this 5 bbls. at $1.53 freight allowed, Rochester, *we immediately wired him that this could not be done, and received word in the mail this morning that the order had been canceled. We hope this clears up the*

matter now to the satisfaction of Subscriber No. 12" (R. 437–8). Thus the stability of the market at Albany was saved; and the cancellation of the little transaction of five barrels whereby a purchaser would get the advantage of a cent or two per gallon was secured.

That every special arrangement with purchasers made by each subscriber was revealed to all is further shown by the report of the American company on March 17 of a special arrangement with W. P. Brewer of Birmingham for an allowance of $1 a barrel to cover all charges for storage, drayage and selling commission; and also by a report of Spencer-Kellogg Company on March 18 of a special arrangement with Starkweather & Williams Company of Providence, R. I., for the handling of oil on a consignment basis whereby that concern was to receive 50 cents per barrel commission to cover all charges for storage, drayage and selling commission (R. 432).

On March 27 Spencer-Kellogg Company wrote the Bureau that it was reliably informed that Subscriber No. 6 (Midland Company) had sold ten barrels of oil for shipment from their Syracuse stock to the Columbia Mills, Minetto, N. Y., at a price of $1.53, when it was their understanding that the last published price list of said subscriber filed did not include freight on shipments to other points. On March 28 Spencer-Kellogg Company again wrote the Bureau that it had been advised that the same representative of the Midland Company had, not only quoted, but had actually sold oil for delivery at

Minetto at their published price of $1.53 zone 3, absorbing the freight on shipment made from Syracuse stock, and that they had also been advised that the same representative had assured a concern in Syracuse that they could deliver oil from Lockport at $1.53 shipment to be made from their Rochester stock, notwithstanding the fact that the Rochester warehouse price was $1.53 and that freight charges of more than the equivalent of 1¢ per gallon were involved (R. 441–2). The Midland Company on April 8 replied to this and other communications relating to the allowance of freight, that they were made through a misapprehension regarding the application of zone prices; that it had never been the company's practice to sell oil in less than carload lots with freight allowed; that "this company has never authorized its Pittsburgh or other agents, at any time in the past, to sell on this basis. *Consequently when the linseed crushers' council passed a resolution at its January meeting limiting the application of zone prices to points where warehouse stocks are carried* this office did not feel that it was necessary to notify its agents generally of this resolution"; and that "We very much regret this error on the part of our Pittsburgh agent *and have taken the necessary steps to prevent any recurrence of incidents of this kind*" (R. 445–6).

On July 30 Archer-Daniels Company wrote the Bureau that for a number of years they had been doing business with Bradley-Wise Co., of Los Angeles, who had been rather slow, and they had thought that the 30-day trade acceptance plan would solve

the problem with reference to that and similar companies; that on the previous day they had received a letter from their agent at Los Angeles in which he stated that acting under directions he had notified the Bradley-Wise Co. that they would either have to discount or send in a trade acceptance, but that later Spencer-Kellogg Company wrote them a letter stating that they would be pleased to sell them oil without the use of the trade acceptance and giving them terms of 30 days net cash; and the Archer-Daniels Company further said that it was their understanding from the expressions made at the meeting of the Bureau on March 27, 1919, by Subscriber No. 12 (Spencer-Kellogg Company) that it was interested in maintaining the 30-day trade acceptance wherever possible; that it seemed to them that Subscriber No. 12 had used in that case the writer's maintenance of the "30-day trade acceptance" position as a lever to swing business his way, and all council members were urged to maintain the 30-day trade acceptance (R. 452–3). On August 14 the replies of three members to this suggestion were published, all of them being favorable to the trade acceptances and two stating that they had actually enforced them, but the other had not yet apparently had occasion to insist upon their enforcement (R. 457–8). On August 20 the Midland Company wrote the Bureau that it believed the enforcement of trade acceptances was desirable, but that it was difficult for the crushers who carried retail accounts to make a general application of them; and

it thought it advisable that the crushers council should determine in what classes of trade it was practicable to enforce the trade acceptance terms and what measures should be taken for their enforcement, and that "*If then each subscriber will follow the definite procedure recommended we believe more progress will be made in this direction*" (R. 461). On August 20 the American Company wrote the Bureau that it had adopted trade acceptances to a considerable extent before the organization of the bureau and that it had since made universal the adoption of the 30-day net trade acceptance terms and were gratified with the results (R. 462.)

On August 7 the American Company wrote the Bureau commenting respecting a sale wired that day by the Archer-Daniels Company made in zone 3, through a misunderstanding, at 5¢ under their filed price. It appeared also when another market letter was received that there was another case of error by the agent of the same company in a sale made in zone 3; and it was said: "Seriously, we think the action of their agent should be criticised and so far as we are concerned, *if it is demonstrated that it was their New York agent who had made this mistake, we would like* [*to*] *have some further statement from the Archer-Daniels Company as to the frequency of similar happenings in the future*"; and a previous letter of that company upon a similar matter was criticized (R. 456).

It was commented in the market letter in which the American Company's letter was bulletined that, "The Bureau feels that Subscriber No. 1 (the Ameri-

can) is entirely justified in his viewpoint * * * and that a full explanation is forthcoming from Subscriber No. 3 as to the sale in question, *and also that all council members are entitled to know what steps have been taken by him to prevent a recurrence of such mistakes*" (R. 467). The record does not disclose what reply the Archer-Daniels Company made to this inquiry; but the inquiry and the comments by the Bureau show how serious a matter it was for an agent of a subscriber to make a mistake, and especially two mistakes, of a few cents variation from the filed price, and how a company was liable to be called upon the mat because of such mistake.

An explanatory letter from Spencer-Kellogg Company to the Bureau dated August 13, 1919, from which it appeared that its Portland, Me., supply of oil was stored by its representative in a building owned by a customer, is also illustrative of how every act which might be regarded as a deviation from the prices and terms of sale filed with the Bureau is checked up and further deviations prevented. The writer insisted that such arrangement gave them no advantages, but, it said, "on the other hand, we are perfectly willing, for the sake of harmony, to effect other storage arrangements in Portland, *and have therefore notified our Boston representative to instruct Mr. Massure to obtain other storage facilities immediately, notwithstanding the fact that we feel that we are the victims of pernicious activity on the part of a subscriber's representative.*" The Bureau's comment upon the con-

troversy, which appears to have ended with that letter, is as follows:

> We believe this entire controversy which is now unselfishly settled by the parties in interest can be provided against in the future by the Bureau's plan of education direct with our agents and representatives. In other words, had the representatives of the companies in conflict on this matter been thoroughly imbued with the spirit of fair, friendly competition, it is undoubtedly certain that such a situation would never have developed. (R. 458–9.)

On August 29 Mr. Quine of the American Company wired the Bureau that their Detroit agent advised that the Archer-Daniels Company had sold and delivered oil to Woodison Company on the previous day at $2.14, while their filed price zone 2 spot and August was $2.24 warehouse. This was relayed immediately to the Archer-Daniels Company. On the following day Spencer-Kellogg Company wired the Bureau that they had reliable information that Archer-Daniels Company was quoting openly basis $2.10 September shipment zone 2, whereas the last price list reported $2.11. This also was wired immediately to the Archer-Daniels Company. On the same day the Bureau wired Archer-Daniels that it was necessary for them to look into the matter and give further detailed advice, "as reports from the Detroit territory seem to clearly indicate that there have been unreported deviations from your last filed price list in that district" (R. 464). On Septem-

ber 1 the Archer-Daniels Company wrote quoting the previous correspondence, and adding that as they had a letter from the Detroit agency under date of August 28 giving no information of any Woodison business, "we can not imagine that they have sold or delivered any oil to Woodison at $2.14." On the 2nd the Bureau replied:

> We have your letter dated September 1st, which is being published in market letter No. 717 to-day, and while we note that your last transaction with Woodison, of Detroit, was a sale on July 24th, the case reported in market letter No. 712 seems urgent enough to warrant your specific communication with that agent, and we would therefore suggest that you communicate with him at once *and secure the direct information as to the particular sale reported.*
>
> You can readily understand that where a direct question is asked as to a quotation or sale in any territory it is hardly satisfactory to the inquiring subscriber to be told *in a general way that no sale has been made in that region without direct reference to the persons who would be responsible for such a sale.* Your Detroit agent (or, for that matter, the agent of any subscriber) might, *through a slip, fail to report a sale, as such cases as you know have occurred in the past. That is why the bureau must request in every case where a direct question is asked that a direct reply, based on facts secured from responsible parties, be made.*
>
> Will you kindly go into this matter fully and *let us have your detailed report with the least possible delay?* (R. 467.)

The Archer-Daniels Company made further specific inquiry, and it was reported by its agent that it had made no such sale (R. 472). But the correspondence illustrates how searching was the examination into every supposed infraction of the rules of the Bureau.

On September 2, 1919, the American Company wrote the Bureau that its Indianapolis representative had reported that both Archer-Daniels Company and the Ankeney Company were quoting at $2.13, and that the Archer-Daniels Company's agent had informed him that rightly the price of $2.13 should *go into effect the following Monday, but that as very little spot oil was being bought he was quoting that price to the trade without any clauses* (R. 471). On September 12 the Archer-Daniels Company replied to the Bureau quoting a letter from its Indianapolis agent to the effect that the quotation at $2.13 was for September, which was the filed price at that time and that they had adhered strictly to the prices, and in no instance had they quoted lower than instructions (R. 478). It appears to have been developed, however, that some small sales of oil had been delivered by some of the companies during the latter days of August at the September prices, and considerable correspondence ensued, some of which is in the record. Quotations from a number of letters were bulletined on September 24, in which the American Company was quoted as having written that "it has been demonstrated that Indianapolis deliveries were made in August of oil at prices which were being quoted for September. *We think this a very bad practice and are entirely in*

accord with the position taken by Subscriber No. 12" (Spencer-Kellogg Company). The Ankeney Company wrote that their agent at Indianapolis had made deliveries of two barrels in August at the September price, "meeting a price that he was dead sure was made by the representative of another mill," but he had no instructions from them to do such a thing, and that, "*This agent has since received instructions to stick strictly to our prices which we give him from time to time and to first report to us any lower quotation that he may be advised of.*" The Goodrich Company declared that they had adhered strictly to filed prices, and that "we are taking this opportunity to again call the attention of our agents to this matter *and have issued instructions to them that this policy be rigidly enforced.*" The bulletin contained the replies of twelve members, all of whom declared that they were strictly enforcing the rule, or that, if any agent had previously deviated, he had been specifically warned not to do so again (R. 482–485).

Along the same line was a letter written by the Ankeney Company to the Bureau on September 6, 1919 (R. 475), in which it was said that their Kansas City agents had written that the Swan Manufacturing Co. was in receipt of an invoice covering a barrel of oil delivered under date of August 27, at which time the Swan Company had a price from Abner Hood Chemical Company of $2.13 per gallon. Their agent had told the Swan Company that he would take care of them at the same price, and the order was reported to the home office without the notation to hold up

billing until September, and the agent asked that a corrected invoice on the basis of $2.13 per gallon be sent to the Swan Company; and the Ankeney Company stated that they were withholding the corrected invoice until they could get a report from the Kellogg Company as to their price at Kansas City on August 27. On September 11 the Bureau made the following reply to the Ankeney Company:

> Although the bureau has duly published your letter above referred to, Mr. Ankeney, *the writer cannot help but take very great exception to the weakness of your sales policy as exemplified by that communication.*
>
> *You will see at once that if we permit our agents to meet our competitors' prices and back that policy with the support of our chief executives, as is evidently true in your proposed plan of procedure, we are just naturally taking the backbone out of our sales force and substituting a rubber composition.*
>
> One of the very decided returns from this service is the development of individual thought and action giving to each manufacturer and merchandiser that all important accurate market information which enables him to place his own valuation on his merchandise and his merchandising ability, and that you will admit is ideal business.
>
> If on the other hand any subscriber to this service is using this market information as an actual means, if not an actual incentive, to do as the other fellow is doing, then we are indeed failing in our purpose with that subscriber of instilling this all important principle, as I have stated.

> The great trouble to-day with American business and labor is that we lack independent thought and action, and we venture this letter, which we will also publish to the council in the hope that you will fully subscribe to our views and will further support this principle by conveying this independent action idea not only to your Kansas City agent but to all those who represent you who may at once show this same disposition (R. 476).

Spencer-Kellogg Company wrote the Bureau on September 12 at considerable length about the transaction, stating that their records conclusively showed that they did not quote or sell any oil for delivery from the Kansas City warehouse during the month of August at prices that did not conform to their price list for that month (R. 477–8).

The comment of the Bureau with reference to "independent thought and action" is, to say the least, curious. Ankeney Company had agreed through the Bureau with its competitors not to deviate from its filed price without filing another one. It finds a competitor probably delivering some small quantities of oil the very last of August at September prices. It was not, according to the Bureau's idea, "independent thought and action" to meet that competition, but it was "independent thought and action" to servilely adhere to the orders of the Bureau.

On September 30, 1919, Spencer-Kellogg Company wrote the Bureau that during the latter part of the preceding week Subscriber No. 6 (Midland Company)

made a sale to Pratt & Lambert of Buffalo at $1.65 per gallon, when their price was $1.66 at Buffalo (R. 492). On October 4 the Midland Company replied that it was not true that it had made such a sale; that the facts were their agent had wired that he had sold Pratt & Lambert four cars of oil, and that they had wired the agent that the sale had been entered at $1.66, and upon being advised that the order had been entered at $1.65 they refused to accept the business at less than $1.66, and as Pratt & Lambert did not confirm the purchase at that price the order was canceled, "*we not being willing to cut our price or to make up the 1¢ difference in any indirect manner*" (R. 493).

On October 10, 1919, Spencer-Kellogg Company wired the Bureau that it was reliably informed that representatives of Archer-Daniels and Midland Companies were openly quoting (at St. Louis) for January delivery at warehouse $1.58, and requested that the Bureau "*wire both subscribers immediately and wire quick.*" This was immediately relayed to Archer-Daniels Company (R. 497). Midland Company replied the same day that its St. Louis price was $1.59 direct, $1.62 from stock, and that it had not authorized any lower price. The same day, the Archer-Daniels Company replied that it had wired the Bureau the day before at 10:30 that its price for January-September was "one fifty-none" [nine] in zone 1, to which the Bureau replied that it had published the wire referred to, but that did not give the requested information, and asked that it be advised further by

wire. Archer-Daniels Company replied that its representative had advised the Bureau the day before that its January–September price was "one fifty-none" [nine], and the Western Union claimed that it delivered the message at 10:41; and on the following day (October 11) it wired that its representatives all wired Wednesday morning to quote $1.60 January–September, zone 1 basis. On the same date the Bureau wired Archer-Daniels: "Your telegrams promptly relayed to all. *Please reply specifically our wire tenth.*" On the same date Archer-Daniels replied: "Morning October nine quoted October–November–December $1.70, January–September $1.59, zone 1." Three other telegrams passed between the Bureau and the Archer-Daniels Company; and the Bureau then wrote the Archer-Daniels Company requesting full supplemental details by letter, and added, "The above exchange of telegrams emphasizes the need for direct and complete replies to all inquiries which the subscribers elect to send through the Bureau (R. 499). On October 13 the Archer-Daniels Company after communicating with its representative at St. Louis quoted the reply received, and also in a postscript quoted a wire to the effect that "we have not quoted or sold any oil less than your wire instructions on October 10th or any other date" (R. 500–1); and on the 17th it sent to the Bureau a copy of another letter from its representative at St. Louis denying that it had made any sale at the price mentioned (R. 503). Thus the tempest of wires seems to have found its birth in

some one's fertile imagination, for there had been the strictest adherence to prices; but the Archer-Daniels Company was guilty of not at first choosing the most positive and precise words in denying it.

On October 11, 1919, Spencer-Kellogg Company wrote the Bureau stating that they had been advised that a representative of the Nationa Lead Company had sold the Union Petroleum Company at Philadelphia on October 9 twenty barrels each for November and December, at $1.75 for November and $1.65 for the December delivery, when the list price was $1.72 direct shipment, or $1.75 for warehouse delivery for November and December (R. 500). On October 20 the accused replied to the Bureau stating that "We regret that the facts are about as stated by Spencer-Kellogg & Sons," and then quoted from a letter it had received from its Philadelphia representative, in which it was admitted that to sell the oil at that price for December was wholly erroneous, and they could offer no explanation further than that they had just previously been quoting for December and later months at 10¢ per gallon under the November price (R. 504).

On October 18 the Archer-Daniels Company wrote the Bureau that their Baltimore representative had written them that Spencer-Kellogg was offering oil for January at $1.60, when their filed price was $1.61 (R. 502–3). On October 22 Spencer-Kellogg replied at length, blaming the trouble upon the telegraph company for badly mixing up the code

words, as a result of which an offer was made in the Richmond market at the Baltimore price, and stating that when that was ascertained, the agent was immediately telegraphed not to enter the order, but "it developed that we were committed beyond question"; and just as soon as the situation was cleared the transaction was reported by letter. The writer adds: "We later succeeded in making satisfactory explanations to all of these buyers who were kind enough to allow their purchases to stand at prices that were incorporated in our original wires" (R. 505).

On October 28 the Archer-Daniels Company wrote the Bureau reciting certain correspondence which had passed between that company and the Spencer-Kellogg Company, and requesting that the Spencer-Kellogg Company be asked to investigate as to whether their agent at St. Louis was quoting less than their listed prices on or about October 24 (R. 508). On October 29 the Spencer-Kellogg Company wrote that they were writing their representative at St. Louis to report, but expressing the opinion that there was some mistake about the matter (R. 512). On November 3 Spencer-Kellogg Company wrote that their St. Louis representative had reported that all of its quotations had been in strict accord with the filed price list, and asking that the Archer-Daniels Company name the source of its information with full particulars, "as we are exceedingly anxious to go to the bottom of this alleged infraction of instructions" (R. 516). On November 17 the Archer-

Daniels Company replied through the Bureau quoting from a letter they had received from St. Louis to the effect that the information came from two or three different sources upon which they could absolutely depend (R. 527). On November 24 the Spencer-Kellogg Company again replied stating that it had received another letter from its St. Louis representative denying absolutely that he had made any quotation under prices, and stating that it would give him pleasure to be taken to the customer or customers who made the report that the representative had quoted them prices under schedule as filed (R. 535–6).

This instance is cited to show with what persistency an inquiry into an alleged infraction of a regulation was pursued; and to what extent members would submit to examination though in effect accused of making false statements. This is further illustrated by the incident next cited.

On October 28 Spencer-Kellogg Company wired the Bureau that their Atlanta representative advised that Subscriber No. 6 (Midland Company) was quoting small lots from warehouse at their filed price covering carloads direct shipment (R. 509). On the same date the Midland Company wrote confirming its wire that the complaint was correct, and that "the price was quoted by mistake," and that "*we have wired a correction immediately. We thank you for calling this matter to our attention,* as we had not discovered the error until looking the matter up after receipt of your telegram" (R. 509–10).

On November 10 Spencer-Kellogg Company wrote the Bureau that it had reason to believe that James Forrester, of Pittsburgh, a representative of Subscriber No. 6 (Midland Company), had quoted various jobbers throughout eastern Pennsylvania by wire in the afternoon of November 7, offering oil at $1.50 for January shipment, and asked particularly whether quotations or sales were made to Lewis & Bennett Hardware Co. at Wilkes-Barre, Pa., and Louis C. Thompson, Pottsville, Pa., at a price of $1.50, requesting the subscriber to furnish exact facts (R. 521–2). On November 13 the Midland Company replied that they had advanced their price on November 7, sending out the first telegram at 3.30 and the wire to the Bureau at 3.33 (The Bureau made a note that the time given in the telegrams received by the Bureau and confirmed in quotation report was 3.45); and that the balance of the telegrams to agents were sent out as fast as they could be written up to 4.15, and consequently that Mr. Forrester probably did not receive notice until after the close of business (R. 523). On November 15 the Midland Company wrote the Bureau that they had just received advice from Mr. Forrester that he did not make any sales after receipt of their message of November 7 advancing the price; that he received the message at 8.47, it evidently having been delayed, as it was sent not later than 4.15 p. m. (R. 524–5). The Midland Company again wrote, on November 18, that Mr. Forrester had advised them that he had quoted Lewis & Bennett Hardware Company and

Louis C. Thompson at their regular filed November prices but did not receive an order (R. 527–8). On November 22 Spencer-Kellogg Company asked that the Midland Company "*bulletin the exact wording of the telegrams as sent by their Pittsburgh representative to the Lewis & Bennett Hardware Company, of Wilkes-Barre, Pa.; Louis C. Thompson,* of Pottsville, Pa.," suggesting that "*in this particular case the mere mention that these quotations were made on the basis of price list as filed November 6 is not a satisfactory answer to our inquiry*" (R. 533). On December 2, 1919, the Midland Company's reply to this letter was circulated, with which was enclosed copies of its wires to the two concerns mentioned, and it was suggested that the previous communication should have been regarded as satisfactory. This appears to have closed the matter, but the correspondence shows how impossible it was for a member to evade giving complete details of every transaction.

On November 12, 1919, the Northern Company wrote the Bureau that on November 6 they had quoted the Soo Line railroad their filed price of $1.75. They were subsequently advised by the Soo Line that it had purchased the oil at $1.72, "and upon taking up with the people making this quotation they admitted the mistake but stated that their quotation would stand and they made no effort to withdraw"; and the Bureau was asked to ascertain who made the sale (R. 523). Inquiry revealed that the sale had been made by the Midland Company, who stated that it was made by mistake which was not

observed until the order had been accepted, and they could not withdraw. It was added that "We did, however, explain that a mistake had been made in quoting them at the price stated, and *assure you that the mistake was unintentional and regret having made it.*" The Bureau commented, that "since this sale was a deviation from the above subscriber's price list as filed with the Bureau and should have been reported as a special sale, no doubt the subscriber in question will wish to explain the omission" (R. 529–30). On November 29 the Midland Company repeated the explanation previously made, and stated that "this was entirely unintentional, and among a very large number of items this discrepancy was overlooked" (R. 538).

There had been some correspondence about a special allowance on a sale made by the representative of the American Company at San Francisco. On November 24 Spencer-Kellogg Company wrote the Bureau that it had been informed by its representative at San Francisco, that one of the largest buyers in the territory was responsible for the statement that the representative of the American had been allowing the customer previously mentioned 5¢ a gallon when he furnished his own empty oil barrels to be filled at tank stations maintained by the subscriber (R. 534–5). On November 28 the American wrote the Bureau that they had taken the matter up with their representative, and said: "*I have very plainly advised him that a practice of this sort must not be continued if he has been doing it*"

(R. 541). In a supplemental reply of December 18 the American Company further said, that it was glad to say that "we do not allow contract or other customers to send their barrels to our tank stations and give them a differential of 5¢ under our warehouse price or direct shipment price for oil in customer's own containers. *This question was brought up recently through the Bureau* on an inquiry from the Spencer-Kellogg Company, as we remember, advising that their agent in San Francisco had reported that we were doing this at that point. Our San Francisco agent denies granting any such privilege and our records do not divulge deliveries on this basis. * * * We think it is entirely wrong, and certainly buyers are not entitled to our bulk differential on oil delivered in this manner" (R. 554–5).

On December 8 Spencer-Kellogg Company wrote the Bureau that their representative at St. Louis had advised them that on December 1, at the request of a certain company, he had quoted them $1.78 January-February-March, and $1.63 for April; that he was subsequently advised that an order for 800 barrels was placed with Subscriber No. 1 (American Company) at $1.78 January-February, $1.73 March, and $1.63 April, when that subscriber's last filed price was $1.70 for March in zone 1 *if taken in equal quantities in connection with April and May,* and it was suggested that the sale was not in accord with the filed price, *as it did not appear that the customer purchased for both April and May* (R. 544). In its reply of December 18 the American said that:

The irregularity of this sale was overlooked when reported to this office, as Mr. Quine had left for Chicago to attend your meeting. We have written to our St. Louis office advising that they exceeded their authority in making a sale of this kind, i. e. selling March at our March price *without including April and May* (R. 552).

Thus slight deviations of this character were guarded against in the future.

On December 18 the Archer-Daniels Company wrote the Bureau that their Richmond agent had advised them that the American Company had a tank station situated on the C. & O. Railroad, and had made the rule that buyers of carload lots would have their goods placed in a car and switched to the buyer's siding or to the railroad delivery tracks, and a car could be loaded and switched to almost any part of the city within twenty-four hours after receiving an order, and if it were loaded say on the 15th they would bill the goods *dating the invoice the 16th, the date the goods were actually delivered, and allowing a 10-day discount period from this date.*" It was further said that "As we understand it, *subscribers have passed a resolution at a previous meeting of the Armstrong Bureau that such an arrangement* [delivering by carload lots] *was to obtain only in mill towns,*" and inasmuch as Richmond was not a mill town the writer wondered if the American would not advise their agent there that he could not make deliveries from warehouse at carload prices. It was further suggested that the

American's terms were 30 days cash, or 1 per cent discount if all was paid for within 10 days after date of invoice, and that the invoice should be dated on the day the shipment was actually made (R. 557–8). On December 27 the American replied: "We have written our representative at Richmond to-day advising of the complaint by the Archer-Daniels Company and said to him that if he has been allowing any such privilege in Richmond as a delivery of a full carload from local stocks either by switching full car lot from our tank station to buyer's siding or railway delivery point, or delivering a full carload within 48 hours at our car-lot price, *he is to immediately cease.* I have also advised him that our terms are 30 days net, or 1 per cent for cash in 10 days, and that date of the invoice is the date of shipment from our mill or tank station and not date of delivery to buyer" (R. 561); and on January 3, 1920, the American further wrote that its representative at Richmond admitted that he had made car-lot deliveries at car-lot direct shipment prices, claiming that he was authorized to do so in a verbal conversation, and the writer added: "We are not clear on this matter; but you will please be advised that we have given orders that this practice shall not be continued, but that car-lot deliveries in Richmond must be made by direct shipment and not from local stocks" (R. 571).

There had been considerable correspondence between the Bureau and the American Company with reference to allowing a discount for customers who

furnished their own barrels, and on December 23 the Bureau wrote the American Company suggesting that it make further reply concerning the question, and on December 27 the American Company wrote the Bureau that it was writing their manager at San Francisco "asking him to make a categorical reply to the question which I have several times asked him as to whether or not he has been making a practice of allowing customers a 5¢ differential where the customer brings his own barrels to be filled" (R. 559–60). On January 14 the American Company further replied that it had received a wire from the San Francisco representative stating that he had checked their records as far back as 1918 and could find no instance where such an allowance had been made (R. 574). This correspondence indicates that no member was making such an allowance, as otherwise the Bureau would have been after him.

On December 30 Goodrich Company wrote the Bureau that on the previous day they wired a price of $1.71 to Studebaker Corporation, but it replied that it had been quoted a better price; and the Goodrich Company asked that it be ascertained who had made the quotation (R. 563). The replies were bulletined by the Bureau on January 13, and it was stated that it appeared that the sale was made by subscriber No. 12 (Spencer-Kellogg Company), which company had written that it had sold Studebaker Corporation a January shipment at $1.71, the quotation having been originally made at $1.70, forgetting

that South Bend was in zone 2, but the price had later been changed to $1.71 (R. 573). On January 14 Goodrich Company wrote that it felt a fuller explanation should be forthcoming from Spencer-Kellogg Company, and asked full details of the transaction (R. 574). On January 19 Spencer-Kellogg Company replied that on December 30 they received a wire from their Chicago office stating they had sold the Studebaker people one tank of oil January shipment at $1.70 in tank cars, and that "We immediately replied that these people were located in Zone 2 and that we could not enter their order as wired and asked if we could enter it at our zone 2 price", and that they then got in touch with the Studebaker Corporation and received permission to enter the order at $1.71 (R. 577–8). This increase in price unquestionably resulted from the agreement among the members as to zone differentials.

On January 24 with reference to the same matter the American Company wrote admitting that its manager at Chicago had made a similar mistake in a quotation, the manager having written them that—

> Investigation discloses a price of $1.70 was made on this inquiry, which error was not discovered until the day following. Inasmuch as they had not accepted, and the quotation being for immediate acceptance, Mr. Johnson did not feel it necessary to revise the quotation. *It is unfortunate it happened. However, as it did not lead to business no harm was done other than having to admit to the Bureau we are the guilty parties* (R. 580).

On January 9 the Midland Company wrote the Bureau that it was informed that a representative of the American Company had made deliveries of oil in December to the Columbus Varnish Company, *applying such deliveries on their January sales,* and asked that the American Company be bulletined regarding the truth of the statement (R. 572). It appears that after two replies had been made by the American the Midland Company again wrote, on January 28, stating that the American Company had only denied that it had made a sale to the Columbus Varnish Company recently, but had not stated whether their representative had made such a sale, and that it was, therefore, obliged to assume that the statement made by the Columbus Varnish Company that the American Company's representative had delivered oil to them in December applying the same on the January contract was correct (R. 588). On February 2 the American Company replied that it had not previously understood just what Subscriber No. 6 (The Midland Company) "was getting at," but it was then writing its manager to obtain the information asked for (R. 592). On February 11 the American Company further wrote that their Cincinnati manager reported that their representative at Columbus had made a contract with the Columbus Varnish Company for January-May, and did oblige that customer in December with one lot of oil, invoicing it on the January contract price, which was below their prevailing spot December price, and adding: "Our manager advises that he must apologize for the Marietta in this in-

stance, as they were not familiar with our rule on this point, *and he has their assurance now that they will not anticipate deliveries in the future,* especially where there is a spread in price between spot and contract (R. 595–6).

It appears that in a meeting when the round-table was in order Mr. Goodrich asked Mr. Quine of the American Company with reference to their representative in Chicago making cartage allowance on full carload deliveries; and on January 15 the American Company wrote the Bureau advising that they had asked their Chicago representative "to make no cartage allowance on full carload deliveries where same is made in a car at the siding of this concern, but that if we make the delivery from local Milwaukee stocks of a carload within forty-eight hours we shall make them a drayage allowance *just as Goodrich Company do.*" (R. 577.)

On March 15, the American Company wrote the Bureau that their Baltimore manager on March 11 had advised them that the Mann Bros. representative in Baltimore "had about two cars of English oil on hand which he was offering at $1.70 in 5-barrel lots," which was not in accordance with the Mann Bros. price filed for that territory, "and we are wondering if they understand that their recognized agents are not to have the privilege of buying and selling oil from outside sources at under the file price of their principal" (R. 602). On March 19 Mann Bros. Company replied: "We were not aware that W. B. Cassell (their representative in Baltimore) was handling any

English linseed oil, and will immediately investigate the matter and *see that this procedure is at once discontinued, if so*" (R. 603). So, English oil at a reduced price was thus kept off the market in Baltimore.

PARTICULARITY AS TO EXACT LANGUAGE USED IN REPORTS.

That the subscribers really understood that they were by agreement maintaining prices and observing practices, but that the Bureau, while realizing that fact, endeavored to suppress evidence of it and to induce the subscribers to believe that, while they were in fact doing so, yet there was a thin border between their actual conduct and unlawful acts, is shown by the great particularity of the Bureau as to the exact wording of correspondence and by the language at times used by members, unconsciously indicating just what they understood the situation to be.

On September 20, 1918, at the beginning of the organization of the crushers, Mr. Armstrong sent a market letter to the trade in which, among other things, he said:

> When the service is well under way and you are receiving quotations representing the prevailing market prices for linseed oil, cake, or meal, do not make the mistake of referring to the market as "the price," for, although such a reference would be understood in its proper interpretation by the bureau and your fellow subscribers, it nevertheless savors of a uniform or an agreed price,

> or might be so construed. Therefore the bureau will not handle any communication making such references. You may refer to the prevailing market prices if necessary, but it is much better to confine your reference to "our prices" and "their prices" in every instance (R. 335).

How strictly this suggestion was enforced appears from a number of letters written by the members to the Bureau which were returned because of legal exceptions to the language used. On May 17, 1919, Nolan, manager of the National Lead Company, wrote the Bureau about two sales made by its Baltimore agents, which sales were not in strict compliance with the Lead Company's price. It was said that:

> Archer-Daniels having brought this matter to our attention served the purpose we assure them and all concerned of our Baltimore agents now fully understanding what they are to do and what not to do in connection with future sales of linseed oil in half barrel lots. Our price premium is 5 cents per gallon and no variation or deviation therefrom without authority from the proper source.

This letter was returned with suggestions that such phraseology should be used "that the operations and intent of the service can not be misunderstood," and that "*you need not state at any time your reasons for changing your prices to the trade*" (R. 607–8).

On July 10, 1919 Mr. Quine of the American Linseed Company wrote a letter to the Bureau in which he spoke of having at times to report sales the day

after they had made a "change in *the* price," and mentioned a price at which the Archer-Daniels Company sold a consignment in zone 3, asking that the Bureau "bulletin them, with a view to explaining why they did not reduce their price throughout the country *as per contract*." On July 12 the Bureau replied that the letter was returned because it left room "for misinterpretation of this service." The criticism was that it spoke of a "change in *the* price," suggesting that the writer intended to say a "change in *our* price," and also that it spoke of the Archer-Daniels Company having failed to reduce its price "as per contract," stating that while the action of the Archer-Daniels Company was unbusinesslike, yet there was no agreement in the contract requiring that such be done. (R. 608–9.) As a matter of fact a positive understanding and agreement had been made between the members of the Bureau dividing the country into zones and requiring that the price in each zone be composed of the price in zone 1 plus the differential.

In a letter written by Quine to the Bureau on July 15, 1919 mention was made of "*the* cooperage price" and "*the* price in wooden barrels." This letter was returned, accompanied with a criticism of these expressions, and a suggestion that if the letter were revised accordingly it would be published (R. 609–10).

On July 16, 1919, the Midland Company wrote the Bureau that it had been advised by an agent that he had been quoted by a competitor an allowance of four cents per gallon less on oil in steel drums than in

wooden barrels and that "it is our understanding that *the regular differential is three cents per gallon*" and asking that it be ascertained if a competitor had made such offer. This letter was returned, attention being called to the expression about the differential of three cents; and it was stated that under the Bureau's operation there could be no understanding as to differentials any more than as to prices. It was suggested that the letter be rewritten, the language that should be used being quoted (R. 610–11). As a matter of fact, as heretofore shown, differentials had been positively agreed upon before that date.

In a letter written by the Ankeney Company on September 19, 1919, it was mentioned that the company's Indianapolis agent had made a delivery at the September price, and that "In fact we have not yet advised him, as we reported in our recent letter, that there would be any lower prices for September. He got all this information from the trade"; and it was said that he had been instructed to thereafter adhere strictly to their prices. This letter was returned with a criticism of the expression "at the September price," and it was suggested that it be revised and again sent in (R. 611–612). It is apparent from the statement in the letter of the Ankeney Company that there was a prior understanding of a reduction of prices for September.

In a letter of the manager of the American Company to the Bureau dated September 22, 1919, it was said that some of the subscribers were quoting oil for August delivery "at *the* September price." This

letter was returned because of legal exceptions to the language used (R. 612). In a letter from the same company of September 29, 1919, mention was made of "*the* October price," and this letter was returned with the suggestion that the expression "*your* October price" be used (R. 612–13).

In a letter from the Ankeney Company dated October 3, 1919 was the statement, "We very often put in a change in our price *without having quoted the trade*, but this change in our price is relayed the same as a quotation." This letter was returned with the statement that the subscriber had overlooked the fact that the Bureau clears only information on past transactions "and therefore it would be unlawful for you to advise the Bureau of any changes in your prices which you have not actually quoted to your trade. It is not permissible for you to change your price list and so advise the Bureau unless that constitutes a bona fide change in your prices, and that means those prices must be actually quoted." And the subscriber was asked that it advise the Bureau "that you now thoroughly understand this point" (R. 613–14). That such a distinction could be considered as material shows the absurdity of the Bureau's contention.

In a report of sales made by Archer-Daniels Company on November 4, 1919, it was said, "The above sale was made on a quotation sent out before *the advance*." In a report of November 26, 1919 by the same company there was a note "*sold previous to advance*". Both of these reports were returned for legal

exceptions, the criticism manifestly being that in speaking of the advance the language should have been "*our* advance" so as not to imply that the advance was one agreed upon.

In a letter written by the Sherwin-Williams Company on November 18, 1919, the writer used the expressions "*the* market price of linseed oil," "*the* carload market," and "*the* carload price" and made the statement that "in view of the fact that *the published price of oil f. o. b. warehouse is three cents more than cars cooperage*," the writer could not understand the methods of subscriber No. 3's representative and would like his action explained (R. 616). This letter was "returned for legal exception to the clauses marked." The letter was rewritten and sent to the Bureau with the expression "the filed price" substituted for "the market price," and "the filed price with the Bureau" for "the carload market," and instead of "the published price of oil," etc., there was substituted "Subscriber No. 3's filed price of oil." The letter was again returned, and it was pointed out that "Your letter of November 20 refers in three different places to 'the file price.' If you have in mind the file price of a particular subscriber it should be so stated;" and it was requested that the letter be again written and sent in. On the 26th of November the Sherwin-Williams Company replied: "I want to thank you for drawing my attention to the various matters for correction in my letter of November 20, which you returned, and, of course, now understand fully with regard to the legal exceptions you have

taken to this letter;" and the letter as rewritten was again sent in. But the subscriber's understanding of the fine points of the correspondence was not so thorough as he had thought; and he unfortunately substituted for the phrase "over the filed price" the phrase "over the market price," and for the third time the letter was returned, the Bureau pointing out that the expression should have been "our market price." It is presumed that the fourth trial was a charm, as there is no record of the substituted letter being again returned (R. 616–619).

On November 24, 1919, the Toledo Seed Oil Company wrote the Bureau: "in response to market letter No. 959, we certainly agree with you on the point raised by Spencer-Kellogg Sons, that furnishing representatives of the crushers with advance information that the price is going to advance in order that they might go out and take business before the advance, could hardly be classed under the title of 'fair play,' and that we only trust the time is not far distant when this practice will be absolutely discontinued, if it is in the practice at the present time." This letter was returned "for legal exception to the clauses marked." On December 1 the Toledo Company's attention was called to the fact that the letter had been returned; and it was urged that corrections be made and the letter sent back so that it might be cleared to other subscribers promptly. The letter as revised does not appear in the record. It was either drawn with phraseology sufficiently nice to meet the requirements of the Bureau, or the

writer thought it a hopeless task to endeavor to make the necessary corrections (R. 619–620).

In a letter written by the Midland Company on December 2, 1919, it was said: "We enclose herewith copy of a letter just received from our Boston agent, from which you will note that he has neither sold any oil below *the authorized price* nor handled any foreign oil"; and a copy of the letter written by the representative of the Midland Company was enclosed. This letter was returned "for legal exception to the clauses marked" (R. 620–621).

SPOT QUOTATIONS.

Exhibits 3 and 3b are tables showing the spot quotations telegraphed to the Bureau by the several members. The two tables contain the same information, but in Exhibit 3 the days upon which no changes in quotations were made are omitted, while the quotations prevalent for all the days appear in Exhibit 3b. These tables cover the entire period from October 1, 1918, the date upon which defendants began to operate under the plan, to June 30, 1920, the date upon which the bill in this case was filed. There were fourteen manufacturers who contracted with the Bureau and operated under the plan. But it appears that Mann Bros. Company was not connected with them in the beginning; and at times one or two were not reporting. Each of them is indicated in the table by a number which appears at the top of its column. For instance, the American Linseed Company is No. 1 and Mann Bros. Company is No. 14 (R. 183). We here call

attention to the fact that the subscriber which was oftenest out of line was No. 11, Sherwin-Williams Co., whose prices had no effect on the market, as its sales were made very largely, if not entirely, to its own factories. On October 1, 1918, nine members quoted spot sales at $1.79, one member at $1.81, one member at $1.85, and one at $1.89. There were several changes of a few cents each during that month. We will begin the analysis on November 9, 1918, which, according to Mr. Armstrong, was before the plan became effective (R. 135). On that date nine members were quoting at $1.58, two at $1.61 and one at $1.49. There were no changes in these quotations until November 25, when one member reduced from $1.58 to $1.53. *On the following day nine members reduced to $1.53* (R. 184–5). During this time but twelve members were reporting. On the 27th one member reduced from $1.61 to $1.56, and on the 29th this member further reduced to $1.53, on which date eleven members were quoting at $1.53 and one, Sherwin-Williams Co., at $1.49. *These quotations were continued without any change throughout the month of December and until January 14, 1919,* when two members reduced their quotations from $1.53 to $1.48 (R. 185). *On the following day, January 15, these same two members reduced from $1.48 to $1.43, and eight members reduced from $1.53 to $1.43, six of them quoting a reduction to $1.48 during a part of the day, but closing their quotations at $1.43.* On January 16 another member reduced from

$1.48 to $1.43. *Thus in three days all the eleven members that were previously quoting at $1.53 had reduced to $1.43,* still leaving one, No. 11, the Sherwin-Williams Company, quoting at $1.49. *These identical quotations continued through the remainder of January and until February 17, when the Sherwin-Williams Company reduced to $1.43* (R. 185), *thus making the quotations uniform. This uniformity continued until March 5, when five members increased their quotations from $1.43 to $1.48; and on the following day the remaining seven members then quoting increased their quotations to $1.48 (R. 185), thus in two days establishing a uniform advance of five cents; which uniformity continued through the remainder of the month of March and until April 9.* On that date six members increased from $1.48 to $1.51, *and on the following day the remaining six moved up to the same point, thus again within two days establishing uniformity at a 3¢ higher level.* This uniformity continued until April 23 (R. 186). Then prices increased until on April 28 *all were quoting at $1.56.* Most of the members continued to quote for a few days at $1.56, then reduced to $1.54, which price all but one were quoting on May 7. By the 26th eight had returned to $1.56. Then the upward movement began that culminated at the peak of $2.20, *the price that all uniformly quoted from August 1 to August 28.* In this movement often nearly uniform prices would be reached, which would be immediately broken by another advance, thus from June 6 to 10 ten members quoted at $1.71 and three at $1.70.

On June 26 and 27 all quoted at $1.86. On July 2 twelve quoted at $1.93 and one at $2.00. On July 9 all quoted at $2.10. From July 15 to 24 all were quoting at $2.15. Then they on different dates advanced to $2.20, one halting for three days at $2.18 (R. 185–6). On August 28 one member dropped to $2.10. *On September 1 every other member dropped 10¢ to $2.10,* with the exception of two, and one of them dropped to $2.09. On the 2nd all quoted $2.10 except the one quoting at $2.09; and these quotations were continued until October 1. *The court's special attention is called to what occurred upon that date. Every member dropped 26¢ except the one quoting at $2.09, who dropped 25¢. And every quotation on that date and until October 6 was $1.84* (R. 187), a most remarkable economic phenomenon if there was no understanding between the producers. There were reductions until on the 17th all were quoting at $1.70. These uniform quotations continued through the remainder of October and until November 22, when a rally set in, which by the 28th of November had brought them all back to $1.75 (R. 187). This continued until December 2, and was followed by further advances until on December 11 all were quoting at $1.85. Quotations remained stationary at that point until January 1, 1920. Then a phenomenon like that of October 1 occurred. *Every member dropped 10¢, to $1.75, and there the quotations stood through January and February and until the 4th of March* (R. 188). At that time the Bureau was under investigation; and

because of that fact or for some other reason quotations were much more varied than at any other time except probably when prices were moving up towards the peak of August. Thus on the day the original bill in this case were filed one was quoting at $1.58, one at $1.60, one at $1.62, one at $1.66, one at $1.68, and five at $1.69 (R. 189).

The daily spread between the prices of the members which appears in the last column of these tables is not specially significant. If one were quoting at $1.70 and twelve at $1.85 the spread would be the same as if but one were quoting at $1.70, one at $1.85 and all the others at different figures between these extremes.

QUOTATIONS FOR FUTURE DELIVERY.

Plaintiff's Exhibit No. 4 (R. 210–252) is a table showing the quotations of the subscribers to the Bureau for future delivery. We will endeavor to make only such an analysis of this table as will show the relation of the quotations of the several members to each other. Quotations in any one month for delivery in future months were usually the same, or very nearly so upon the same dates, except during the immediately preceding month. For illustration, quotations on the same days in May, 1919, for July deliveries, were about the same as those for August, but quotations for June, especially those made the latter part of May, were different from quotations for July and August. We will therefore call attention only to the quotations during the immediately preceding month and the latter part of the month previous thereto, as to go further back would be but a repetition.

Quotations for November delivery, 1918:

As the association began to function on the 1st day of October, no quotations are given previous to that date. All quotations submitted for the first seven days of October were $1.71. On the 8th six of the nine members reporting changed to $1.66, two remained at $1.71 and one changed to $1.76. There were changes on thirteen of the remaining days of the month, and the quotations were not uniform on any day; but on the 26th nine of the twelve members reporting were quoting at $1.55, one at $1.56, one at $1.63, and one at $1.76. By the 30th the nine that were quoting on the 26th at $1.55 had changed to $1.51, while the other three retained their former quotations (R. 210).

Quotations for December delivery, 1918:

On November 1 eight out of twelve members were quoting at $1.51, one at $1.49, one at $1.53, one at $1.56, and one at $1.73. By the 8th eight of the members had changed to $1.58, one was still quoting at $1.49, two at $1.53, and one at $1.73. These quotations contined until the 25th, when another member changed from $1.53 to $1.58; and on the 26th ten out of twelve were quoting at $1.53, leaving one still quoting at $1.49 and one at $1.73. This continued to the end of the month (R. 211).

Quotations for January delivery, 1919:

On November 26 all quotations for this month were at $1.53, *and they remained uniform at these figures throughout the entire month of December* (R. 212).

By this time the system had begun to properly unction.

Quotations for February delivery, 1919:

Quotations for this month were uniform at $1.53 from November 26, throughout December, and until January 14. On that day two members changed to $1.48. On the 15th ten members dropped to $1.43, five reducing first to $1.48 and at a later hour to $1.43. *On the following day, January 16, all were quoting at $1.43, and the quotations continued uniform to the end of the month* (R. 213).

Quotations for March delivery, 1919:

On January 14, 15, and 16 the members were making the same quotations for March as for February. Therefore, on the 16th of January they had all reduced to $1.43, *and this uniform quotation continued throughout the remainder of January and during the entire month of February* (R. 214).

Quotations for April delivery, 1919:

The same uniform quotations for this month prevailed after January 14 and throughout the month of February as were made for March delivery, and the uniformity at $1.43 was continued until March 5. On that day six members advanced to $1.48, *and on the following day, March 6, the remaining five members then reporting advanced to $1.48, and these uniform quotations were continued during the remainder of the month* (R. 215).

Quotations for May delivery, 1919:

From March 6 to April 10 ten of the eleven members reporting quoted at $1.48 and one at $1.43, who on that day advanced to $1.48. This continued to the 23rd, when one advanced to $1.56. On the next

day three made a like advance; one advanced to $1.51 and one to $1.53; and on the 25th ten were quoting at $1.56 and two at $1.48, another member having begun quoting on April 10. On the following day one of the two advanced to $1.56, and on the 28th all were quoting at $1.56. On the 30th eleven were quoting at $1.56 and one at $1.54 (R. 216).

Quotations for June delivery, 1919:

On April 28 the quotations of all twelve reporting members for this month were $1.53. On the 30th one member reduced to $1.51. There was a gradual reduction to that figure until, on the 8th, ten were quoting at $1.51, one at $1.52 and one remaining at $1.53; and these quotations continued until the 14th, when there began a general shifting upwards, the movement having begun for the high peak which was reached a month or two later. On the 16th one advanced from $1.51 to $1.56, and the movement upward continued until on the 29th ten were quoting at $1.59, one at $1.61 and one at $1.62 (R. 217).

Quotations for July delivery, 1919:

On May 28 eleven of the twelve members reporting were quoting at $1.56 and one at $1.53. From then on to the last of June there was a general and almost continuous advance. For illustration, on June 6 two were quoting at $1.70, nine at $1.71 and one at $1.75. On the 10th eleven were quoting at $1.71 (one additional member reporting); one at $1.70 and one at $1.75. There were then advances to $1.78, $1.81, $1.83, $1.86, and finally to $1.93. On the 20th one was quoting at $1.81, four at $1.83, one at

$1.85, and seven at $1.86; and on June 30 ten were quoting at $1.93 and three at $1.86 (R. 218–219).

Quotations for August delivery, 1919:

On June 30 quotations for this month were, ten at $1.93, three at $1.86. On July 1 all but one of the thirteen reporting quoted $1.93 and its quotation was $1.86. The general advance continued, the quotations increasing to $2.00, $2.03, $2.10, $2.15, $2.16, and $2.20, one member advancing for one day to $2.25, another for two days to $2.25, and another for three days to $2.25. For illustration, on the 8th ten were quoting at $2.10, one at $1.93, one at $2.00, and one at $2.03. On the following day all but one were quoting at $2.10 and it at $2.00. The following day, the 10th, that member advanced to $2.10, but another advanced to $2.15 and still another to $2.20. On the 15th all were quoting at $2.15. On the 26th eight had advanced to $2.20; four were quoting at $2.15 and one at $2.18, and on the 31st all were quoting at $2.20 (R. 220–221).

Quotations for September delivery, 1919:

On July 31 twelve members were quoting for September at $2.20 and one at $2.17. These quotations continued until August 4th, when all were quoting at $2.20. This continued from the 4th to the 22nd, when one reduced to $2.16. On the 26th this member reduced to $2.10, and another member reduced from $2.20 to $2.10. On the 27th seven of the thirteen members were quoting at $2.10 and the remaining six at $2.20. On the 28th all but one had reduced to $2.10, and on the 29th eleven were

quoting at $2.10, one at $2.20 and one at $2.09 (R. 222–223).

Quotations for October delivery, 1919:

On August 30 twelve members were quoting at $2.00 and one at $1.99. These quotations continued till September 13, when three members reduced to $1.89. There were further reductions to $1.88 and $1.84, until on September 30 all the members were quoting uniformly at $1.84 (R. 226).

Quotations for November delivery, 1919:

There seemed to be a prevalent idea that the price of oil would fall, and hence quotations for November were lower than the quotations for October. On October 1 nine members were quoting at $1.63, one at $1.66, one at $1.70, and two at $1.72. On the 2nd eleven members were quoting at $1.63 and two at $1.72. On the 3rd twelve were quoting at $1.63, and one at $1.60. From the 4th there was a rally until on the 8th eleven were quoting at $1.70 and two at $1.60, and on the 9th another member advanced to $1.70; and these quotations continued until the 15th, when all were quoting at $1.70; and these uniform quotations continued to the end of the month (R. 229).

Quotations for December delivery, 1919:

On October 15 all but one were quoting at $1.70 and that one at $1.59. These quotations continued until November 10, when all were quoting at $1.70. Twelve days later, on the 22nd, one advanced to $1.75, and on the 24th ten were quoting at $1.75 and three at $1.70. On the following day one of

those advanced to $1.75, and on the 26th still another advanced to $1.75; and on the 28th all were quoting at $1.75. On the 29th one member advanced to $1.85 (R. 233).

Quotations for January delivery, 1920:

On November 28 all members were quoting for this month at $1.75. On the 29th one increased to $1.85. On December 2 two others increased to $1.85, and on the 3rd four of the thirteen were quoting at $1.85; on the 4th seven were quoting at $1.85 and six at $1.75. Between the 4th and the 22nd there was a shifting back to $1.75, until on the 16th ten were quoting at $1.75 and three at $1.85. On the 17th another reduced to $1.75, and on the 18th all were quoting at $1.75, which quotations were continued until the end of the month (R. 236).

Quotations for February delivery, 1920:

On December 22 quotations for this month were uniform at $1.75, *and this uniformity was continued throughout the month of January* (R. 240).

Quotations for March delivery, 1920:

As for the months of January and February so for the month of March, the quotations became uniform at $1.75 on December 22, and that uniformity continued through the remainder of that month and throughout both January and February (R. 243).

Quotations for April delivery, 1920:

Quotations for this month were on January 15 uniform at $1.70, and this uniformity continued

through the remainder of that month and the entire month of February and until March 4, when three members advanced to $1.72 and one did not quote. There was a gradual advance, and on March 11 nine members were quoting at $1.82, one at $1.72 and two at $1.77 (one not reporting); and on March 12 all reporting were quoting at $1.82. This uniformity continued until the 18th, when one advanced to $1.87, and these quotations continued until the 25th, when all but one of the eleven members then reporting quoted at $1.82, and that one at $1.77. There were other changes between the 25th and the 31st, when nine were quoting at $1.82 and two at $1.72 (R. 245–246).

Quotations for May delivery, 1920:

On March 31 nine members were quoting for this month at $1.82 and two at $1.72. On April 2 another member advanced to $1.82, and these quotations continued until the 6th, when all members were quoting at $1.82. This uniformity continued until the 16th, when one member reduced to $1.77 and two to $1.79. On the following day another member reduced to $1.79. Other reductions followed until on the 28th one was quoting at $1.70, five at $1.72, one at $1.74, one at $1.79, and one at $1.82 (R. 249).

Quotations for June delivery, 1920:

The tendency downward which had begun about March 11 was continued, and on May 1 nine members were quoting at $1.72, one at $1.70, and one at $1.79. Still further reductions followed until the 29th, the date of the last quotation, when

eight were quoting at $1.72, one at $1.60, one at $1.62, and one at $1.65 (R. 250–252).

This table shows greater variations and a more rapid movement on a rising than on a falling market, as a member is not subject to criticism for advancing his price, and he is anxious to keep up with or surpass the leader. This tendency was especially marked in the *Hardwood Lumber* case, which will be hereafter fully discussed. The more numerous variations in quotations after February are significant, because the members then knew the Bureau was under investigation.

PRODUCTION, IMPORTATIONS, AND EXPORTATIONS OF LINSEED OIL.

Plaintiff's Exhibit No. 9 (R. 258–268) shows the production, consumption, importations and exportations of animal and vegetable fats, and oils produced therefrom, by periods of three months each during the years 1919 and 1920. An examination of these statistics and a comparison of the quantities of linseed oil produced, exported and imported, with the prices of oils then prevailing, give the following results. (The figures relating to quantity denote pounds and those relating to prices denote dollars and cents.)

During the quarter ending March 31, 1919 the production of linseed oil was 88,704,568 (R. 258). The excess of exports over imports was 2,451,258 (R. 267, 268). The stock on hand at the beginning of the quarter is not shown. The total quantity for consumption in this country therefore was 86,253,310.

The consumption reported was 35,445,224 (R. 258). During this period, notwithstanding the quantity on hand apparently greatly exceeded the actual consumption, spot prices just about held their own. Starting in at the uniform price of $1.53, by the middle of January nearly all the members had reduced to $1.43, and by the middle of February that price had become uniform; but by March 6 it had recovered to a uniform price of $1.48, and so continued during the remainder of the quarter (R. 185).

For the second quarter, April 1 to June 30, 1919, the production was 95,040,905; excess of imports over exports, and re-exports, 3,768,900 (R. 267–8); stock on hand at the beginning of the quarter, 7,117,410 (R. 264); making an available total in this country of 172,927,215. The consumption actually reported was 50,529,147 (R. 259). This period of abundance in supply began by all quoting at $1.48, and on April 9 six advanced to $1.51. The prices moved upward until on the 28th they became uniform at $1.56. On April 30 one reduced to $1.54. Others reduced until by the middle of May all but two were selling at that price, but by the last of May ten were selling at $1.59, one at $1.61 and one at $1.62, and prices continued to advance until on the last day of the quarter nine were selling at $1.86 and four at $1.93 (R 185–186).

For the third quarter, July 1 to September 30, 1919, production was 129,221,965 (R. 258). Stock on hand was 54,095,151 (R. 264), and excess of exports and re-

exports over imports 1,129,589 (R. 267–8), leaving a total quantity to draw from of 182,187,527. The consumption reported was 52,032,833 (R. 259). During this period of increasing abundance the prices reached their peak. They began with all quoting at $1.93 but one, who was quoting at $1.86. Prices immediately advanced, and by the 9th all but one were quoting at $2.10 and he at $2.00. On August 1 all had advanced to $2.20, which uniform price continued until the 28th, when one reduced to $2.10, and on September 1 all had reduced to $2.10 but one, and he quoted at $2.09. These prices continued until the end of the quarter (R. 186–7).

For the fourth quarter, October 1 to December 31, 1919, the production was 139,960,360 (R. 258). Stock on hand, 52,082,945 (R. 264) and excess of imports over exports, 4,635,235 (R. 267–8). Total for consumption was therefore 196,678,540. The consumption reported was 51,138,445 (R. 259), or 894,388 less than for the previous quarter. The prices during this quarter averaged considerably less than during the previous quarter. *They started at a uniform price of $1.84, a drop on that day of 26 cents by every manufacturer except one* and by him of 25 cents. By the 17th the prices had continued to drop until they were uniform at $1.70, *which uniform price prevailed until November 22.* But notwithstanding the enormous quantities produced and on hand, the prices began to rally, and on the 28th of November they were uniform at $1.75, and by December 11 they had advanced another ten cents, and were uniform at

$1.85, which price continued to the end of the quarter (R. 187–8).

For the first quarter of 1920, January 1 to March 31, the production was 117,225,669 (R. 258); stock on hand 81,406,296 (R. 259), and excess of imports over exports and re-exports 18,086,925 (R. 267–8). The total supply therefore was 216,718,890. The consumption reported was 58,219,239 (R. 259). Therefore the stock to draw from was 22,854,700 less than for the previous quarter, and the reported consumption was 7,080,794 greater than for that quarter, yet the average prices were about the same. On the last day of the previous quarter all were quoting at $1.85. *On the first day of this quarter everyone dropped to $1.75. This uniform price was continued to March 4,* when a rally started which by the 12th had increased the prices to the uniform level of $1.82. On the 18th one member attempted to push the price to $1.87, but on the 25th he returned to $1.82. Then a few members dropped to $1.72, but at the close of the quarter all who reported were quoting at $1.82 except one, and he at $1.72 (R. 188).

For the second quarter of 1920, April 1 to June 30, production was 121,406,571 (R. 258); stock on hand 67,842,497 (R. 264); excess of imports over exports 3,970,260. Total supply was 193,219,328, or 23,499,562 less than for the previous quarter. The consumption reported was 943,556 (R. 259), or but 275,683 less than for the previous quarter. During this entire quarter the subscribers knew that the Bureau was under investigation. The prices this

quarter were gradually reduced, starting on April 1 with nine quoting at $1.82 and two at $1.72, one of whom went to $1.82 on the 2nd and the other on the 6th, making prices uniform at that figure. *There were gradual reductions to $1.79, $1.72, $1.69, and $1.68, until when the quarter closed, the day on which the bill was filed, one was quoting at $1.58, one at $1.60, two at $1.62, one at $1.68, and five at $1.69* (R. 188-189).

These statistics indicate that the price of linseed oil was not determined by the law of supply and demand. While the quantities on hand and the demand undoubtedly had an influence upon the prices, yet they were manifestly largely controlled by forces other than that law.

It is fair to state, however, that this table manifestly does not show the actual consumption of oil. In the preface to the report of the Department of Commerce, of which this table is a part, it is shown that as to some fats and oils the entire amounts consumed do not appear because reports from many sources could not be obtained.

ORAL TESTIMONY INTRODUCED BY THE GOVERNMENT.

The Government relied very largely upon the facts proven by the exhibits filed by it, but it introduced a few witnesses who testified in substance that the prices of oil quoted by the several members of the Bureau after its organization were uniform, or were much more nearly uniform than they were previous to its organization (William Hoch, manager paint and wall

paper department of Sears, Roebuck & Co., R. 52; F. J. Hurtz, purchasing agent for Bradley & Vrooman, R. 55; Solomon L. Sulzberger, president Enterprise Paint Mfg. Co., R. 58; M. A. Richardson, president Inland White Lead Company, R. 63). Mr. Richardson also testified that in 1919 he had a conversation with Mr. William O. Goodrich of the Goodrich Company; and that he mentioned the Armstrong Bureau to Mr Goodrich and told him that he thought they were "soaking us on prices;" and Goodrich said that it was a very strong organization, and that "we all ought to be satisfied, because we all buy at the same price and that we could add it on to the price of the paint" (R. 63–4). Mr. Goodrich denies that he made this particular statement to Mr. Richardson, but says that if he did discuss the Bureau with him it was in a general way (R. 95).

ORAL EVIDENCE INTRODUCED BY DEFENDANTS.

The defendants introduced a number of witnesses, several of them being representatives of the producers. All of them denied that they had entered into any agreement with reference to prices, and said they did not feel themselves bound in any respect to maintain any specific price. The witnesses also endeavored to justify the scheme operated by the defendants, and to show that the results were beneficial, not only to the industry, but to the purchasers as well.

Reasons why the crushers joined the Bureau.

The representatives of some of the defendants who testified undertook to explain why they joined the Bureau. Mr. Mairs of the Archer-Daniels Company said: "We joined the Armstrong Bureau in order to get market quotations which we felt would be reliable, and to get any other advantages which the Armstrong Bureau could bring through the intelligent marketing of linseed oil." However, he could think of no specific advantage other than market quotations (R. 75). Mr. Goodrich stated that he did not know that there were any conditions in the industry that led him to join the Bureau, continuing, "I regarded the plan proposed by it as a very good one, which would change conditions then existing for the better. I refer to the general feeling of distrust and lack of confidence in the various members engaged in the industry and to the general darkness that surrounded me in my attempts to gauge conditions" (R. 93). Upon the same subject he further says, in response to a question by the court, "I think, your Honor, that the conditions were rather aggravated in the linseed oil industry. It so happened that there were two or three very large crushers, and my position was made more difficult by that fact. There was not the greatest amount of harmony existing between the large crushers and the small crushers, and I welcomed this opportunity, after some study, as being one to relieve that situation and to bring a little bit of the 'golden rule' into the actions of the crushers" (R. 98–99).

Mr. Martin of the Sherwin-Williams Company claims that that concern joined because the linseed oil industry was the most unsatisfactory that they had to contend with; and they believed from the information given by those who tried to introduce the service they could eliminate some of the irregularities or abuses, which were beyond the control of any one individual. First among the irregularities were the wide fluctuations and the speculations in flax—things of that sort—and another was freight conditions (R. 104). *But the Bureau certainly made no effort to control fluctuations in flax, nor did it modify freight rates except by adopting the zoning system, which did not affect in the least the actual rates.*

Mr. Nolan of the National Lead Company states their reason for joining a little more frankly. He says:

> We joined the bureau because we believed then, as I would believe now, in cooperation of any kind among industries, in any kind of organization that will tend toward simplifying business dealing in general. *I think the same terms all the way through are advantageous to the buyer as well as to the seller.* In other words, I believe if one man is charging so much a gallon more for oil in a barrel or half barrel it would simplify it some for the sellers if they would all charge so much a gallon increase for half a barrel over a barrel price, instead of four or five of them having different ideas about it. For instance, the price of oil might be 60 cents a gallon; that is, in barrels; if you want a half barrel of oil I would charge you 60 cents

> a gallon or 5 cents over for the half barrel, whereas somebody else would charge 60 cents a gallon plus $1.50 additional. The purchaser would pay the same price, but it would be better for each of us to go along on the same basis, instead of one charging so much a gallon extra and another so much for the half barrel. *I think it is an advantage all the way through to have a market uniformity* (R. 112).

He claims, however, that such cooperation had nothing to do with prices. But how the system can work so nicely as to terms of sale and other practices incident to the trade, and have nothing whatever to do with prices neither this witness nor any other undertakes to explain.

Mr. Quine of the American Company says that they joined "to obtain the advantage of statistical information with respect to the industry and exchange of ideas with respect to operation, and possibly other matters that go to make up our business," but he also claims that they had no hope of being able to get together with the other crushers upon the matter of prices (R. 115).

The anxiety of the members to get information of what others were doing and their pretended claim that such information could have no effect is illustrated by the following statements of Mr. Quine:

> Now, if a competitor had filed a price for September, October, November, December, and it stood there, and my men in Indianapolis wrote me that a competitor was including August in a price which he had filed in Sep-

tember, I would want to know whether he was selling for August and September, instead of September-December at that price. *I would just want to be posted on what was going on, for information, and I do not think it would have any bearing on my price. I would just want to know what the competitor's attitude was with respect to the market. We always get that information and we like to have it* (R. 119).

One wonders at such anxiety if the information was of no use.

Stabilization of the market and "constructive" competition.

The excuse given by the witnesses, and especially by the experts, for the existence of the Bureau is that it merely "stabilizes" prices and preserves "constructive" competition, admitting that it does eliminate what they are pleased to call sometimes "blind" competition, and at other times "cut-throat" competition; and the witnesses discuss at length what is meant by "stabilization" of the market and by "constructive" competition.

Mr. Mairs says that he understands that "a stabilized market is a market where the demand for linseed oil did not exceed the supply of flaxseed" (R. 78); and he thinks that if everyone has all the information regarding the industry, the consumption of oil, prices of flaxseed, the conditions of the flax crop, such check would tend to stabilize the market (R. 78). But this Bureau had nothing to do with the production of flaxseed; nor did it exchange information in regard to the price of flaxseed or the

conditions of the flax crop unless those matters were discussed at their meetings; and the minutes of the meetings are silent upon that subject, or if mentioned at all, it is only in an incidental way.

Mr. Ferry, the assistant director of the Bureau, defines a "stabilized" market as "a market where the competitive prices are regulated only by the law of supply and demand. Further, it is a market which is not affected by the more violent fluctuations that naturally result from a lack of accurate market information" (R. 85). Again, upon the same subject, he says: "'Stabilization' of market means a market where competitive prices—that is the prices of all the factors in that market—are based on this supply and demand; in other words, where the law of supply and demand is allowed to operate. But where factors in that market are possessed of accurate, definite market information, it will prevent them from—it will prevent wild fluctuations that so often are aroused by suspicion and, I think, largely by fear." He admits, however, that fluctuations do not always arise from suspicion, and he thinks incidentally that the elimination of fluctuations is a part of what is meant by "stabilization" (R. 88).

Mr. Armstrong, the proprietor of the Bureau, thus defines a "stabilized" market: "I call a 'stabilized market' a market in which competitive prices operate upon the law of supply and demand *plus the knowledge of individual costs in the market and unaffected by the wide fluctuations that are obtained from misinformation.*" This adds one element to the definition by

Mr. Ferry, who limits it to the operation of the law of supply and demand alone. And the element *of a perfect knowledge of the business of every competitor,* which Mr. Armstrong defines as "the knowledge of individual costs in the market," is the one that is added by the operation of this Bureau; and it certainly vitally modifies the conditions naturally existing between competitors before the adoption of the system.

Mr. Armstrong undertakes to make an explanation of the two kinds of competition, one the "blind" competition and the other "constructive" competition; and in his illustration he takes eight sales made by a manufacturer. He says that under the "constructive" system the manufacturer will make a profit of $12.50 on each sale, or a total of $100, whereas under the "blind" system he will make the $100, but less of it from some customers than from others; and that under such circumstances "the public has to pay the bill." Of course the public in one instance pays no more than in the other, as it is only a few individuals who are unfortunate. But the illustration is purely imaginary, as the profit of $100 on the eight sales would in all probability be grossly excessive, and would not be realized under "blind" competition.

He further says that "it has been shown in the linseed oil industry that the cost to work a bushel of flaxseed varies from 55¢ to 85¢ on figures given to me simultaneously. (As one bushel of flaxseed produces 2½ gallons of oil (R. 71), the variations are

from 22¢ to 34¢ per gallon.) Now, with the margin of profit varying we would have in the market, so far as the public is concerned, a range of prices. In other words, we would all be on the same basis if we dealt with the same seller, but a market would be pictured as in my explanation wherein anyone could seek out the lowest seller and could get such saving as might be afforded and wherein there would be a range of prices just as there is in this linseed oil industry"; and then the following colloquy was had between the court and the witness:

> CARPENTER, J. I wondered if you were going to reach the point where you would tell us why the man who had the smallest cost of production shouldn't undersell his neighbor who had to pay more.
>
> A. The manufacturers who have reached that stage are generally the larger companies. They have spent years in bringing their business to that point of efficiency. In spending this time they have spent a great deal of money. *Now I have contended, and this is where I venture into the field of idealism, which I hesitate to do in this trial, but it is, in my judgment, only right that a manufacturer who has expended time and effort and money to bring his factory to the point of efficiency, should not throw it away by underselling his competitors so that they would go out of business, so to speak. Do I make that point clear? It is difficult to explain.*
>
> CARPENTER, J. Well, then, the idealism is on his part.
>
> A. No; it is cold dollars and cents.

CARPENTER, J. No; but if he has failed to undersell his competitors and put them all out of business, the fact that he does not do it sort of borders on idealism?

A. Well, now if he pursues the course that I have suggested here, and while he may not sell his product at the peak—in other words, at the cost of the smaller manufacturers—and he doesn't, he nevertheless, by taking that profit that he would otherwise lose if he sold it closer to cost than necessary, delivers a better return to his stockholders and gets back some of his money that he has spent in getting his plant to his point of efficiency (R. 139).

Mr. Ferry defines "constructive" competition as used in the book which he wrote for the use of the Bureau and as used in their correspondence, as "competition which is based on knowledge of manufacturing costs for one item, which is based on the law of supply and demand, and which is based on other accurate information and, I might add, which is based on the idea of fairness to competitors as well as to those who buy of the industry" (R. 84). And he defines "destructive" competition as meaning "competition where goods are sold absolutely on the basis of price alone, and where the quality does not make any particular difference. It is a case of 'get the business regardless.' If in this state of destructive competition the manufacturer has cut his price down far enough, *he is going to cut the quality of his goods*" (R. 90). The absurdity of applying this definition of natural or so-called "destructive" competition to the linseed oil industry is shown by the fact that, as

stated by Mr. Mann, "*there is no variation in quality of linseed oil*, but there is a variation in the quality of seed. *The buyer of linseed oil gets substantially the same article from everybody*" (R. 71).

Effect of exchange of information.

Mr. Hirst, of Hirst & Begley, frankly states what effect in his judgment the exchange of information has upon prices. His testimony on cross-examination upon this subject is as follows:

> Q. Now the fact of that interchange of prices through the bureau among the crushers, didn't that have a tendency to stabilize the market?
>
> A. Yes.
>
> Q. It did?
>
> A. I think so.
>
> Q. And did it not have a tendency to make the prices somewhat more uniform than otherwise?
>
> A. I think so.
>
> * * * * *
>
> Q. Wasn't that exchange of prices, of price lists, through the bureau—*did that have a tendency to assist at uniformity of prices?*
>
> A. *I don't think there is any question about that.*
>
> Q. *No question about that?*
>
> A. *I don't think so* (R. 147–8).

Mr. Goodrich claims that in determining his price he found out the cost of production and then what the general market was; and then decided whether he could meet or cut under a competitor's price. He undertakes to point out a specific instance where in

the winter of 1919 he sold to Farr-Bailey Company of Philadelphia, who are large manufacturers of linoleum, oil at $1.59, dropping nine cents, his filed price then being $1.68 (R. 94). There is some doubt about the correctness of Mr. Goodrich's memory respecting this transaction. The Goodrich Company is No. 4 in the tables filed as Government's Exhibit 3 and 3b, and an inspection of those tables will show that that company did not during either the winter of 1918–1919 or 1919–1920 make a drop in its prices from $1.68 to $1.59. In fact it quoted the price of $1.59 but twice from the organization of the Bureau on October 1, 1918, until January 1, 1920. The first time was from October 12 to 16, 1919, when it dropped from $1.64, and when eight of its competitors were quoting at $1.59. On the 17th it further reduced to $1.53, on the 18th to $1.51, and on the 19th to $1.48, all of its competitors reducing about the same time. The second time was from May 27 to 29, 1919, when it advanced from $1.56 to $1.59, and only two competitors were when the increase was made quoting as high as $1.59 (R. 184–6).

Further along Mr. Goodrich said that "their [his competitors] prices are only a guide to me as to the general condition of the trade" (R. 97). But on cross-examination he testified:

> Q. And you attached no importance to the fact that you had received this notice of price, which was on file by the large crushers with the bureau, and that they were bound to give immediate notice through the bureau to you of any change?

A. *Why, certainly I attached some importance to it. It is one of those things which gave me a guide as to the general trend of the market.*

Q. *In making your own price?*

A. *Yes.*

Q. *You would take that as one of the guides, would you?*

A. *Yes, certainly* (R. 101).

Mr. Nolan of the National Lead Company expresses a very peculiar idea with reference to the conditions under which prices will become stationary or uniform. He says that in 1919 the crops in the Northwest were burning up, or were partially burnt up; that transportation conditions seriously affected the supply of flaxseed; that during several months in the early part of 1919 there was a railroad strike in Argentina which practically shut off the exportation of seed for nearly three months, and there were other conditions later during the summer that made it difficult to acquire supplies of seed, and a serious crop condition developed in the Northwest, both in Canada and in the United States. He then says, "If there was a stationary price I can see how it should have been," and that "it undoubtedly was due to an uncertainty in the minds of the people in the industry as to what was going to develop next" (R. 129). Apparently the very conditions existed that would naturally have brought about the widest fluctuations in the price of seeds; and that would have naturally resulted in corresponding fluctuations in the price of oil. Yet during nearly all of the months of July, August and September the prices *were practically uniform* at the prices of $2.10, $2.15, and $2.20.

CHART SHOWING VARIATIONS IN PRICES OF FLAXSEED, REPLACEMENT COSTS OF OIL, AND PRICES OF LINSEED OIL.

In the oral testimony introduced by defendants it is said a number of times that the price of linseed oil is controlled by the price of flaxseed.

The Government filed as Exhibit No. 6 a chart which shows the fluctuations in the prices of flaxseed, in the replacement costs of oil (excluding executive and selling expenses), and in the prices of oil, from October 1, 1918, to June 30, 1920. This exhibit is not printed in the record, it being there noted as illegible (R. 254); but the Government has had it photostated, and presents copies of same with the record.

This chart shows that the fluctuations in the prices of flaxseed were far more frequent and violent than were the fluctuations in the prices of linseed oil. In fact the prices of flaxseed varied almost daily, and from week to week the fluctuations often took a wide range. The same is true as to the replacement costs of oil, though the range was not so great, as other elements of expense, which were in a measure constant, entered into the cost of the production of oil. But fluctuations in the selling prices of oil were always gradual, except where there was a sudden and uniform rise or fall in quotations, as happened October 1, 1919, when the quotations of twelve of the subscribers dropped from $2.10 to $1.84, and of the other reporting subscriber from $2.09 to $1.84. Oftentimes the quotations would remain constant

for a considerable length of time, although the fluctuations in flaxseed during the same period were continuous and had a wide spread. The following table shows, month by month, during the year 1919 the price of flaxseed on the first day of the month, the highest and lowest prices during the month, the price on the last day, and the spread between the highest and the lowest prices, and also the same data with reference to the replacement costs of oil and the prices of oil. However, the relative stability *from day to day* of these prices and costs can only be fully understood from an inspection of the chart.

	First day.	Highest.	Lowest.	Last day.	Range.
January:					
Flaxseed	3.57	3.64	3.20	3.26	0.44
Replacement cost	1.24	1.26	1.02	1.11	.24
Oil	1.53	1.53	1.43	1.43	.10
February:					
Flaxseed	3.26	3.67	3.26	3.67	.41
Replacement cost	1.11	1.27	1.11	1.27	.16
Oil	1.435	1.435	1.43	1.43	.005
March:					
Flaxseed	3.67	3.84	3.64	3.79	.20
Replacement cost	1.27	1.36	1.27	1.34	.09
Oil	1.43	1.48	1.43	1.48	.05
April:					
Flaxseed	3.79	4.06	3.76	3.92	.30
Replacement cost	1.34	1.44	1.25	1.37	.19
Oil	1.48	1.56	1.48	1.56	.08
May:					
Flaxseed	3.92	4.36	3.92	4.30	.44
Replacement cost	1.37	1.52	1.35	1.52	.17
Oil	1.55	1.59	1.55	1.59	.04
June:					
Flaxseed	4.30	5.40	4.30	5.39	1.20
Replacement cost	1.52	1.87	1.52	1.87	.35
Oil	1.59	1.88	1.59	1.88	.29
July:					
Flaxseed	5.39	6.22	5.37	6.04	.85
Replacement cost	1.87	2.16	1.86	2.06	.30
Oil	1.93	2.19	1.93	2.19	.26
August:					
Flaxseed	6.04	6.15	5.18	5.46	.97
Replacement cost	2.06	2.09	1.66	1.82	.43
Oil	2.20	2.20	2.20	2.20	.00

	First day.	Highest.	Lowest.	Last day.	Range.
September:					
Flaxseed	5.46	5.52	4.04	4.04	1.48
Replacement cost	1.82	1.85	1.36	1.36	.49
Oil	2.10	2.10	2.10	2.10	.00
October:					
Flaxseed	4.04	4.50	3.77	4.39	.73
Replacement cost	1.36	1.53	1.25	1.46	.28
Oil	1.84	1.84	1.70	1.70	.14
November:					
Flaxseed	4.39	5.14	4.39	5.14	.75
Replacement cost	1.46	1.71	1.46	1.70	.25
Oil	1.70	1.75	1.70	1.75	.05
December:					
Flaxseed	5.14	5.52	4.63	4.69	.89
Replacement cost	1.70	1.88	1.49	1.53	.39
Oil	1.76	1.85	1.76	1.85	.09

ARGUMENT.

The Government's contention is that the purpose of the combination between defendants was, by making uniform the practices incident to the marketing of their products and by continuously keeping each other informed as to their prices and subjecting themselves to a searching examination as to every transaction, to eliminate competition between the defendant manufacturers as to prices and practices, and to prevent thereby the reduction, and to secure advancements of prices; and that the necessary result of the operation of the system was a very substantial increase in the prices of linseed oil over what they would have been had the naturally competitive conditions continued; and, further, that the evidence conclusively shows that the intended and natural result of the system was fully accomplished.

It will be observed that the record fails to disclose that any special attention was given to production.

The reason is that the production of linseed oil is limited by the quantity of flaxseed on the market, an excessive overproduction of oil being therefore very improbable. In this respect the industry is unlike that of lumber, in which the raw material is, for the present at least, unlimited.

A brief recapitulation of some of the things done and incidental results accomplished in the working of the system will be helpful in estimating what was the combined effect of all of its activities.

It is unnecessary to further mention the zoning system or the meetings of the council, as they have been sufficiently considered in citing the evidence relating to those features.

The defendants' witnesses were careful to repeatedly deny that they had in mind when they contracted with the Bureau the fixing of prices; and it can be plausibly argued that there was no specific agreement that the members or any number of them would sell at any time at a stipulated price. But the evidence does not admit of a doubt that the control and increase of prices so that a greater profit could be realized was the prime object of the organization, and was the actual result of its operation.

The requirements with reference to statistics constitute the basis upon which the system rests. It is this feature that gives the system, and all devices of like character, the designation of a plan for "open competition," meaning an organization composed

of a group of those producing or handling the same article wherein each is required to reveal to the others every detail of his business. Manifestly the word "competition" as used under such circumstances is a mere camouflage to conceal the real purpose of the organization.

The reporting system required under the contract between the Bureau and each subscriber is unusually exacting. It requires that all published price lists of a member shall be "*immediately*, and when and as hereafter issued," deposited with the Bureau.

It was frequently said by defendants' witnesses that the Bureau made no inquiry as to, and would not permit a report of, a transaction before it was actually had. But certainly a price list *is the basis for all future sales* until it is changed. Therefore the Bureau required of each member that it file the prices at which it then intended to sell its products *in the future;* and this price list was known to every other member.

The members were then required to report to the Bureau *by wire*, and confirm by letter, all quotations made at variance with the price list *which gave "better terms to the contemplated purchaser than those quoted."* Why were they required to report all *cuts* in prices, and not required to report sales at prices in excess of those given in the price list? Of course it was because they were specially concerned in preventing *the cutting* of prices, while it was quite proper, in their minds, to sell *above* the filed price.

It was also required that where the sale was equal to or in excess of a carload the member should report the prospective buyer's name, address and f. o. b. point of shipment, and he also agreed to give in every instance the terms and discounts, whether made to jobber, dealer or consumer, the quantity of the sale, and whether it was made at warehouse or mill prices; and to promptly report all changes in and alterations or withdrawals of a quotation, and to give full information with reference to every special quotation. In other words, in these daily reports *by wire* and confirmed by letter there was nothing connected with any sale *at a less price* than that designated in the price list which was not required to be fully disclosed to the Bureau. In addition to these reports by wire, every subscriber was required to make a daily report of all carload sales for that day, giving particulars; and was required to report weekly all of its sales into each zone made during that week, setting forth specifically the quantity sold and the price at which sold, differentiating between that sold for spot and that for future delivery, and giving the period for the future sales. The Bureau agreed that "all of the foregoing market information as received by the Bureau *will be promptly cleared and relayed by it to the undersigned subscriber and to all other subscribers in good standing.*" The evidence shows that a few minutes' delay in transmitting a report to the Bureau at times brought forth severe criticism; and that in

fact the reports of quotations deviating from prices were made by the member nearly always within from five to thirty minutes after the quotation had been made, and was relayed by the Bureau within five to twenty minutes after received, and finally, as shown by the list of reports made by the Archer-Daniels Company and filed as plaintiff's Exhibit No. 17, it was required of that company that it report contemplated cuts in price before the reduced quotations were actually made.

What possible explanation is there for this exchange of information as to every cut in price by every individual member to all of its competitors within a few minutes after it was made, other than that it was done to influence the prices at which each member would sell his products. Its inevitable tendency certainly was to prevent any cut in prices, and to cause every member to sell either at, or higher than, his filed prices. Now and then an agent of a member, moved by the natural spirit of competition, would undertake to meet a lower price of a competitor, but this brought forth at times severe censure from the Bureau, which urged that a member should show a spirit of independence by giving no attention to a competitor's price, but selling strictly at his own. This subject appears to have been discussed at the meeting held September 18, 1919; from which it appeared that it was the consensus of opinion that the point of ethics raised should be observed (R. 487).

To make certain that there would be no secret deviation by a member from his filed price he was

required to open for inspection all of his books and accounts, and to reply specifically to any inquiry that might be made through the Bureau by another member.

This latter requirement was frequently made use of, and proved a very potent agency in procuring the maintenance of the prices designated in the filed price list. How effective this was will appear from a citation of some incidents concerning the prices and practices of members.

(1) At the very beginning of the organization, by exchange of views through the Bureau, fluctuations in the price of linseed oil were very quickly and materially reduced, and the prices of all the members soon became practically uniform.

(2) By correspondence, views were exchanged as to how to apply the zoning system to car lots and less than car lots (R. 386, 402).

(3) On November 9, 1918, one member by writing the Bureau secured the reprimand of an agent of another member for selling two barrels of oil at $1.53, when that member's filed price was $1.58 (R. 354).

(4) In the same manner a reprimand of the agent of another member was obtained for quoting a price f. o. b. St. Louis instead of 4¢ higher f. o. b. New Orleans (R. 361, 362).

(5) In like manner an agent at St. Louis was stopped from selling a few small orders to meet what he was informed was the actual price of a competitor (R. 371, 376).

(6) It also appears in a letter from the Midland Company to the Bureau that *the council* had decided to use the price of oil in barrels, carload lots, as the basic price (R. 376).

(7) Through correspondence an understanding was procured that a subscriber would not sell one day at the prevailing price with the understanding that the order would not be turned in for forty-eight hours, the purchaser to get the benefit of a reduction but not charged with an advance; and would not for a premium of 1¢ per gallon protect a purchaser for thirty days against decline as to any undelivered portion (R. 380, 391–3).

(8) On complaint two members stopped selling oil in Washington at the Baltimore price and thereafter added freight between the two points (R. 420, 422, 440).

(9) As a result of lengthy and rather heated correspondence a sale of five barrels made by an agent of a member at Albany at $1.52 instead of $1.53, the filed price, was canceled (R. 437–8).

(10) Also an agent of a member was stopped from selling oil stored at Syracuse to be shipped to Minetto, N. Y., at the Syracuse price, thus absorbing the freight; and it also appeared in the same correspondence that the council by resolution had limited the application of zone prices to points where warehouse stocks were carried (R. 441, 445).

(11) Sharp criticism was directed against one member by two others because one of its agents had

made *two* mistakes in making sales at 5¢ under the company's filed price for zone 3, and likely no further mistakes were made by that agent (R. 467).

(12) An outside crusher had offered a customer oil at $2.13, to be delivered August 27. A member's agent offered to meet this price, but failed in transmitting the order to direct that the shipment be held up till September ($2.13 apparantly being that member's filed price for September), and the member wrote the Bureau that it was holding the matter open till it heard what the price there of another member was. This action of the member was the subject of a severe reprimand by the Bureau, it saying that by such procedure "we are just naturally taking the backbone out of our sales force and substituting a rubber composition" (R. 475, 476).

(13) Subsequently, by correspondence, all the members expressed a determination not to deliver in one month sales made for a subsequent month (R. 482, 485);

(14) And afterwards on complaint an agent of a subscriber was stopped from shipping oil in December on sales made for January (R. 572, 595).

(15) On complaint a sale made by an agent at $1.60 was by the member changed to $1.61, its filed price (R. 502, 505).

(16) By criticism from one member the agent of another member was stopped from selling small lots at a price filed for carload lots (R. 509–10).

(17) The filed price of a member was $1.70 for March in zone 1, *if taken in equal quantities with*

deliveries for April and May at prices for those months. A sale by the agent of a member at $1.70 for March *not accompanied with orders for April and May* was criticised by another member because not in accord with the filed price of the offending member, and the agent was written that he had exceeded his authority; and such sales were, of course, stopped (R. 544, 552).

(18) An agent made a mistake in quoting $1.70 for South Bend, overlooking that it was in zone 2, the filed price for which was $1.71. The customer on representation of the member was induced to permit the order to be changed to $1.71 (R. 563, 573, 574, 577).

(19) On complaint an agent of a member was stopped from selling English oil at prices under the member's filed price (R. 602, 603).

In like manner practices some of which involved prices were criticised and corrected, as appears from the following:

(1) By correspondence an understanding among the members was secured that all would charge 1¢ per gallon per month or fraction thereof for carrying oil after purchased (R. 576).

(2) A Kansas City agent of a member was stopped from guaranteeing against decline (R. 383, 387).

(3) Because of an inquiry with reference to a certain sale by a member, thereafter when a sale was for export the member so reported, which appears from the correspondence to have been previously agreed upon by the members (R. 409, 412).

(4) On inquiry of one member expressions were obtained from all but one condemning an arrangement of selling oil on consignment, and for consideration of storage the purchaser could at his option take it out of his warehouse at carload price, having the oil invoiced on date of its removal from the stock, which arrangement would enable him to take the entire lot when delivered to his warehouse, if he felt that prices were going to advance, or he could take it at carload price as used; and the subject was of such importance that it was docketed for discussion at the next meeting (R. 418, 429).

(5) On complaint of one member that another member had taken a sale from him by waiving the customer's giving a trade acceptance a number of members wrote the Bureau that they had adopted trade acceptances, one stating that if the subscribers would follow the "procedure recommended more progress would be made" (R. 452, 457, 461).

(6) To avoid further criticism a member ceased storing its oil in a house owned by a customer, the criticism being that by thus patronizing a customer such member would have an advantage over its competitors (R. 458, 459).

(7) The practice of allowing a customer 5¢ for shipment in customer's containers was criticized and declared entirely wrong; and the member criticized stopped the practice (R. 534, 541, 554).

(8) A member having a tank station in a city adopted the rule that buyers of carload lots might have their goods placed in a car and switched to the

buyer's siding or to the railroad delivery tracks, which could be done within twenty-four hours after receiving an order; and the invoice would be dated on the day after the loading, and the discount allowed from that date. A member complained of this arrangement, claiming that it was the understanding that it could not be made except in mill towns, the agency mentioned not being in a mill town; and it was further complained that the purchaser to obtain discount should be allowed thirty days from *the loading* of the car. As a result of this complaint the member wrote its agent directing the discontinuance of the practice (R. 557, 571).

(9) A member was accused of having allowed 5¢ off when purchasers furnished their own barrels. On inquiry by the member the agent declared he was not doing so (R. 559, 574). This shows that no such practice was allowed by any of them.

(10) Because of criticism in a meeting a member directed its agent "to make no cartage allowance on full carload deliveries where same is made in a car at the siding of this concern" (R. 577).

It conclusively appears, therefore, that by the exercise of this right of inquiring into and criticising every business transaction of a member the strictest adherence to filed prices was procured, and in numerous instances the prices of sales actually made were changed; and that every practice or device whereby one member might procure a little advantage over another was eliminated. If it be suggested that the number of complaints cited are few in com-

parison with the number of transactions that must have been had, the reply is that the character of complaints of members and criticisms of the Bureau, and their effect upon the members criticised were such as to clearly show that a violation of the contracts between the members and the Bureau or of the regulations of the Bureau was exceedingly rare.

Attention is specially called to a feature which does not usually appear in mere associations. In such organizations reliance is usually had for the enforcement of their regulations upon the reporting system and the agreement to permit inspection of the members' records; but here noncompliance with the members' obligation was subject to a severe penalty, the collection of which was absolutely secured. Each member is required to deposit Liberty bonds at the rate of $1,000 par value for every six presses or fraction thereof, the amount of such deposit in no instance to be less than $1,000 nor more than $10,000; and it was provided that should the subscriber "fail, in any manner whatsoever, to comply with any of the terms of this agreement or with any and all reasonable requirements of said bureau, then it shall and does hereby forfeit to said bureau, at its election, all money paid for services and all further benefits and rights under this agreement." The Bureau was required to give notice of such forfeiture, and the member had the right of appeal from such action to three members chosen as prescribed in the contract, whose decision was to be final. Thus each

member subjected himself to a penalty, security for its payment having been put upon deposit, for violating, not only the terms of his contract, but *any reasonable requirement of the Bureau;* and whether or not a requirement was reasonable was to be determined, first by the Bureau, and second, on appeal by the member, by three of his competitors.

REAL DIFFERENCE BETWEEN COMPETITION CONTEMPLATED BY THE SHERMAN ACT AND SO-CALLED "CONSTRUCTIVE" COMPETITION.

The competition which it was intended by the Sherman Act to preserve was that existing in the economic world at the time of its enactment; and which had always existed and continued to exist, except as now and then interfered with by unlawful agreements, down to the organization of latter day associations and bureaus. Economists then supposed that prices were regulated by the law of supply and demand. Of course the price of an article was necessarily based on the cost of producing and selling it. It could not for any substantial length of time be sold at a price under cost of production and marketing; but the producer's profit depended upon the amount he could realize in excess of costs, and that was controlled by the demand and the supply in the market. The producer then sought to manufacture his article at the lowest cost possible. He would figure a reasonable profit upon that cost, and would be satisfied if he could receive the amount thus determined. If he had an advantage in location; or for any reason

he could obtain his raw material more cheaply than a competitor; or had his factory so organized that he could produce the article more economically, the public received the benefit of those advantages, unless the demand was substantially in excess of the supply; in which event naturally he increased his price, thus temporarily realizing a larger profit. If this condition continued for a time others entered the field, and the production soon equaled or probably exceeded the demand; and then it became a question of the survival of the fittest. Under those conditions but little attention was given to the prices of competitors. When the market was active because the demand was great, prices naturally advanced; when business was depressed and demand lax, prices were reduced. Then producers were endeavoring to conceal every detail of their business from their competitors; and they were in ignorance of the details of each other's business except as they were accidentally revealed to them through agents, or possibly were obtained through some devious method. *All effort, therefore, was concentrated upon producing the goods as cheaply as possible, so that they could sell them upon the market against competition, and yet realize a reasonable profit;* and no dependence was had upon the prices of competitors.

Under the present system of so-called "constructive" competition a precisely contrary course is pursued. Each producer of an article reveals every detail of his entire business to every competitor. He

reports to him every sale, and the price at which it is made, and the locality to which it is shipped. They all agree upon terms of sale, and the amount that shall be charged to every locality in lieu of the freight from the mill to such locality. They adopt uniform practices with reference to storage, and conditions under which allowances shall be made. They then meet together and personally discuss every question relating to the production and distribution of the goods made by them. In other words, every producer is as familiar with the details of the business of his competitors as he is with those of his own business, or as they are with their business. Can anyone possessing intelligence sincerely contend that this revolution does not profoundly affect the economic laws governing prices which previously existed, and does not necessarily affect prices themselves? The result is that the producer now devotes his time to studying the business of his competitor instead of his own business. He interests himself in ascertaining whether his competitor has deviated at some point from an agreed uniform practice and in calling him upon the carpet to stop such deviation, rather than in figuring upon some means of reducing the cost of production. In determining upon prices he studies the price lists of his several competitors, ascertains what they are receiving for their goods in certain markets, and fixes his price therefrom instead of studying his cost sheet and determining what is a reasonable profit upon his investment.

If it be conceded that there are plausible arguments in support of this so-called "stabilization," which is nothing less than fixing prices, and of the effects of this so-called "constructive" competition, the debate over that question is purely an economic and not a legal one. The undoubted fact is that economic laws are profoundly affected by this new system; and the Sherman Act was passed to maintain the system governing competition then existing; and any fundamental change in practice by agreement between competitors whereby prices of articles moving in interstate commerce are substantially affected is a violation of that Act.

AUTHORITIES.

The combination between the defendants is unlawful, because when carried into effect it inevitably restrains interstate commerce.

It is unnecessary to cite but one authority in support of this proposition, and that is *American Column & Lumber Company* v. *United States*, decided by this Court on December 19, 1921. That case was an attack upon an association composed of lumber manufacturers whose plan for the exchange of information with reference to production and sales was of the same nature as the plan here presented, though differing somewhat in detail. There daily reports were made to the secretary of the association by each member, giving particulars as to all sales and shipments, and the information thus received was compiled by the secretary and sent out *weekly* to all the

members. Here reports of all *quotations at a reduced price* are wired *within a few minutes* to the Bureau, and by the Bureau *immediately* relayed by wire to all the other members. There monthly reports by the members to the secretary were required, which were compiled and distributed among the membership monthly. At one time there was a desire expressed among the members of the association to have semi-weekly reports, it being suggested that a week was too long to wait for information with reference to sales, but the association's counsel promptly advised against the change, warning them against too much activity along that line, as it would probably call forth criticism and action upon the part of the Government. Here repeated criticisms were made of members, because of delays *of a few minutes* in transmitting quotations. There the association held monthly meetings, as was done by the council in this case. However, for the convenience of the members, meetings were then held in different sections of the territory covered by the association, and for that reason there were sometimes two or three meetings a month, and some members probably attended more than one of them. The evidence in this case indicates a much more thorough inquiry by the members into each other's business at the meetings of the council than was there shown to have occurred in the meetings of the association. In that case emphasis was laid by the court upon the fact that the general manager from time to time sent out market letters in which he under-

took to detail the conditions of the industry and demonstrate to the membership that prices should not be reduced but maintained or increased. But the conduct of the manager in that case could not possibly have been so effective as the communications from the Bureau to its subscribers as shown by the evidence in this case. There the manager only advanced an argument based upon facts, or assumed facts. Here the Bureau at times gave peremptory orders, and in all cases spoke as one having authority. And to supplement the advice and dictation of the Bureau were the inquiries through the Bureau by members calling in question individual transactions of other members, which at times subjected a member to severe criticism both from the Bureau and from other members. Certainly in the *Lumber case* the minute details of the business of the members were not laid bare to the extent that such details are shown to have been exposed among the members of the council in this case. It was there insisted by the defendants that the evidence was not sufficient to warrant the inference that an agreement as to curtailment of production or as to prices had been made by the several members. But the Government's contention was that while it could well be inferred from the evidence that there was an agreement to curtail production and advance prices, yet it was unnecessary for such inference to be drawn, because *the plan, within itself, was unlawful, in that when put into effect the inevitable result was the curtailment of production and*

the advancement of prices. This contention of the Government was upheld by the Court. As the opinion filed has not yet appeared in the official reports, the conclusions of the Court drawn from a consideration of the evidence will be quoted at length.

> It is plain that the only element lacking in this scheme to make it a familiar type of the competition suppressing organization is a definite agreement as to production and prices. But this is supplied: by the disposition of men "to follow their most intelligent competitors," especially when powerful; by the inherent disposition to make all the money possible, joined with the steady cultivation of the value of "harmony" of action; and by the system of reports, which makes the discovery of price reductions inevitable and immediate. The sanctions of the plan obviously are, financial interest, intimate personal contact, and business honor, all operating under the restraint of exposure of what would be deemed bad faith and of trade punishment by powerful rivals.
>
> The principles of law by which we must judge *of the legality of the scheme of doing business thus provided for, as it was worked out in practice,* are clearly settled by the anti-trust statute and the decisions of this Court interpreting it.
>
> The applicable provision of the act (26 Stat., Chap. 647, 209) reads:
>
> "SECTION 1. Every contract, combination in the form of trust or otherwise, or conspiracy,

in restraint of trade or commerce among the several States * * * is hereby declared to be illegal."

Obviously the organization of the defendants constitutes a combination and confessedly they are engaged in a large way in the transportation and sale of lumber in interstate commerce so that there remains for decision only the question whether the system of doing business adopted resulted in that direct and undue restraint of interstate commerce which is condemned by this anti-trust statute.

It has been repeatedly held by this Court that the purpose of the statute is to maintain free competition in interstate commerce and that any concerted action by any combination of men or corporations *to cause, or which in fact does cause,* direct and undue restraint of competition in such commerce falls within the condemnation of the act and is unlawful.

* * * * *

Such close cooperation, between many persons, firms, and corporations controlling a large volume of interstate commerce, as is provided for in this "Plan," is plainly in theory, as it proved to be in fact, inconsistent with that free and unrestricted trade which the statute contemplates shall be maintained, and that the persons conducting the association fully realized this is apparent from their protesting so often as they did, in many of their confidential communications appearing in this record, that their purposes were not unlawful, that they sought only to supplant cutthroat competition

with what in their own judgment would be "fair and reasonable competition," and to obtain, not make, fair prices, and by their repeated insistence that the Sherman Law "designed to prevent the restraint of trade is itself one of the greatest restrainers of trade, and should be repealed."

To call the activities of the defendants, as they are proved in this record, an "Open Competition Plan" of action is plainly a misleading misnomer.

Genuine competitors do not make daily, weekly and monthly reports of the minutest details of their business to their rivals, as the defendants did; they do not contract, as was done here, to submit their books to the discretionary audit and their stocks to the discretionary inspection of their rivals for the purpose of successfully competing with them; and they do not submit the details of their business to the analysis of an expert, jointly employed, and obtain from him a "harmonized" estimate of the market as it is and as, in his specially and confidentially informed judgment, it promises to be. This is not the conduct of competitors but is so clearly that of men united in an agreement, express or implied, to act together and pursue a common purpose under a common guide that, if it did not stand confessed a combination to restrict production and increase prices in interstate commerce and as, therefore, a direct restraint upon that commerce, as we have seen that it is, that conclusion must inevitably have been inferred from the facts which were proved. To pronounce

such abnormal conduct on the part of 365 natural competitors, controlling one-third of the trade of the country in an article of prime necessity a "New form of competition" and not an old form of combination in restraint of trade, as it so plainly is, would be for this court to confess itself blinded by words and forms to realities which men in general very plainly see and understand and condemn, as an old evil in a new dress and with a new name.

The "Plan" is essentially simply an expansion of the gentleman's agreement of former days, skilfully devised to evade the law. To call it open competition because the meetings were nominally open to the public, or because some voluminous reports were transmitted to the Department of Justice, or because no specific agreement to restrict trade or fix prices is proved, cannot conceal the fact that the fundamental purpose of the "Plan" was to procure "harmonious" individual action among a large number of naturally competing dealers with respect to the volume of production and prices, without having any specific agreement with respect to them, and to rely for maintenance of concerted action in both respects not upon fines and forfeitures as in earlier days, but upon what experience has shown to be the more potent and dependable restraints, of business honor and social penalties—cautiously reinforced by many and elaborate reports, which would promptly expose to his associates any disposition in any member to deviate from the tacit understanding that all were to act together

under the subtle direction of a single interpreter of their common purposes, as evidenced in the minute reports of what they had done and in their expressed purposes as to what they intended to do.

In the presence of this record it is futile to argue that the purpose of the "Plan" was simply to furnish those engaged in this industry, with widely scattered units, the equivalent of such information as is contained in the newspaper and Government publications with respect to the market for commodities sold on boards of trade or stock exchanges. One distinguishing and sufficient difference is that the published reports go to both seller and buyer, but these reports go to the seller only; and another is that there is no skilled interpreter of the published reports, such as we have in this case, to insistently recommend harmony of action likely to prove profitable in proportion as it is unitedly pursued.

Convinced, as we are, that the purpose and effect of the activities of the "Open Competition Plan," here under discussion, were to restrict competition and thereby restrain interstate commerce in the manufacture and sale of hardwood lumber by concerted action in curtailing production and in increasing prices, we agree with the District Court that it constituted a combination and conspiracy in restraint of interstate commerce within the meaning of the Anti-trust Act of 1890 (26 Stat. 209) and the decree of that court must be

Affirmed.

We insist that there was not an element present in that case that does not here exist in an equally, or more, aggravated form, and that therefore that case is controlling of the present one.

It has been repeatedly held that any combination which necessarily results in a restraint of interstate commerce is violative of the Anti-Trust Act regardless of how innocent the intention of the parties thereto may have been.

> *United States* v. *Freight Association*, 166 U. S. 290, 341;
>
> *Addyston Pipe & Steel Co.* v. *United States*, 175 U. S. 211, 243;
>
> *United States* v. *St. Louis Terminal Co.*, 224 U. S. 383, 394;
>
> *United States* v. *Reading Co.*, 226 U. S. 324, 370;
>
> *United States* v. *Patten*, 226 U. S. 525, 543;
>
> *Standard Sanitary Mfg. Co.* v. *United States*, 226 U. S. 20, 49.

Unlawful to agree upon practices.

It is just as unlawful to agree upon practices as upon prices, as conveniences and favors to the trade suffer because of the elimination thereby of all competition in practices. As said by this Court in *United States* v. *Union Pacific R. R. Co.*, 226 U. S. 61, 88, with reference to the consolidation of competing lines of road:

> It directly tends to less activity in furnishing the public with prompt and efficient service in carrying and handling freight and in carrying passengers, and in attention to and prompt

adjustment of the demands of patrons for losses, and in these respects puts interstate commerce under restraint. Nor does it make any difference that rates for the time being may not be raised and much money be spent in improvements after the combination is effected. It is the scope of such combinations and their power to suppress or stifle competition or create monopoly which determines the applicability of the act.

The restraint resulting from the combination was an unreasonable and unlawful restraint.

It may be insisted that the activities of the Bureau resulted only in enabling the subscribers to obtain reasonable prices for their products; and, therefore, that while interstate commerce may have been restrained to some extent, yet the restraint was reasonable. It has been assumed by some of the lower courts that in speaking of a reasonable restraint in the *Standard Oil case*, 221 U. S. 1, Mr. Chief Justice White had reference to the *amount* of the restraint of interstate commerce. However, a careful consideration of that opinion shows that the learned Chief Justice had in mind the character of the agreement or combination which produced the restraint, and not the extent of the restraint resulting therefrom. This appears from the following language of the Court:

> Without going into detail and but very briefly surveying the whole field, it may be with accuracy said that the dread of enhancement of prices and of other wrongs which it was thought would flow from the undue limita-

> tion on competitive conditions caused by contracts or other acts of individuals or corporations, led, as a matter of public policy, to the prohibition or treating as illegal all contracts or acts which were unreasonably restrictive of competitive conditions, *either from the nature or character of the contract or act* or where the surrounding circumstances were such as to justify the conclusion that they had not been entered into or performed with the legitimate purpose of reasonably forwarding personal interest and developing trade, but on the contrary *were of such a character as to give rise to the inference or presumption that they had been entered into or done with the intent to do wrong to the general public and to limit the right of individuals,* thus restraining the free flow of commerce and tending to bring about the evils, such as enhancement of prices, which were considered to be against public policy. (221 U. S. 58.)

Through misapprehension, there was considerable criticism in the press and among public men of the statement by the Court in that case that the Act should be interpreted by the "rule of reason"; and the Chief Justice, in the opinion subsequently delivered in the case of *United States* v. *American Tobacco Company,* 221 U. S. 179, took occasion to thus explain what was meant in the former opinion:

> It was therefore pointed out that the statute did not forbid or restrain the power to make *normal and usual contracts* to further trade by resorting to all *normal methods,* whether by

> agreement or otherwise, to accomplish such purpose. In other words, it was held, not that acts which the statute prohibited could be removed from the control of its prohibitions by a finding that they were reasonable, but that the duty to interpret which inevitably arose from the general character of the term "restraint of trade" required that the words "restraint of trade" should be given a meaning which would not destroy the individual right to contract and render difficult if not impossible any movement of trade in the channels of interstate commerce—the free movement of which it was the purpose of the statute to protect.

But there has been no clearer exposition of the law upon this subject than that given in the opinion of the Circuit Court of Appeals of the Sixth Circuit in the case of *United States* v. *Addyston Pipe & Steel Co.*, 85 Fed. 271, 282. After a comprehensive review of all the common-law authorities bearing upon the question of restraint of trade, and an enumeration of certain classes of contracts which had been held valid because reasonable, the Court said:

> It would be stating it too strongly to say that these five classes of covenants in restraint of trade include all of those upheld as valid at the common law; but it would certainly seem to follow from the tests laid down for determining the validity of such an agreement that no conventional restraint of trade can be enforced unless the covenant embodying it is merely ancillary to the main purpose of a

lawful contract, and necessary to protect the covenantee in the enjoyment of the legitimate fruits of the contract, or to protect him from the dangers of an unjust use of these fruits by the other party. In *Horner* v. *Graves*, 7 Bing. 735, Chief Justice Tindal, who seems to be regarded as the highest English judicial authority on this branch of the law (see Lord Macnaghten's judgment in *Nordenfelt* v. *Maxim Nordenfelt Co.* [1894], App. Cas. 535, 567), used the following language:

"We do not see how a better test can be applied to the question whether this is or not a reasonable restraint of trade than by considering whether the restraint is such only as to afford a fair protection to the interests of the party in favor of whom it is given, and not so large as to interfere with the interests of the public. Whatever restraint is larger than the necessary protection of the party requires can be of no benefit to either. It can only be oppressive. It is, in the eye of the law, unreasonable. Whatever is injurious to the interests of the public is void on the ground of public policy."

This very statement of the rule implies that the contract must be one in which there is a main purpose, to which the covenant in restraint of trade is merely ancillary. The covenant is inserted only to protect one of the parties from the injury which, in the execution of the contract or enjoyment of its fruits, he may suffer from the unrestrained competition of the other. The main purpose of the contract suggests the measure of protection

needed, and furnishes a sufficiently uniform standard by which the validity of such restraints may be judicially determined. In such a case, if the restraint exceeds the necessity presented by the main purpose of the contract, it is void for two reasons: First, because it oppresses the covenantor, without any corresponding benefit to the convenantee; and, second, because it tends to a monopoly. But where the sole object of both parties in making the contract as expressed therein is merely to restrain competition, and enhance or maintain prices, it would seem that there was nothing to justify or excuse the restraint, that it would necessarily have a tendency to monopoly, and therefore would be void. In such a case there is no measure of what is necessary to the protection of either party, except the vague and varying opinion of judges as to how much, on principles of political economy, men ought to be allowed to restrain competition. There is in such contracts no main lawful purpose, to subserve which partial restraint is permitted, and by which its reasonableness is measured, but the sole object is to restrain trade in order to avoid the competition which it has always been the policy of the common law to foster. (85 Fed. 282–3.)

The relief that should be granted.

The relief that should be granted in this case is an adjudication that the combination described in the bill and proven in the evidence is unlawful *in toto*, and an injunction inhibiting any further operation under the plan as a whole or under any part thereof.

The holding of this Court in the *Hardwood case* is conclusive of this question. In that case the Court declared the whole scheme a nullity, and enjoined the defendants from engaging in any of the activities provided for in the plan. An earnest effort was made upon the hearing to have the Court enjoin the defendants from doing only such acts as were within themselves unlawful, and to permit a continuation of other parts of the scheme. That is, the Court was asked to determine how much of the plan it was necessary to eliminate in order to bring the activities of the association within the law. This the Court refused to do. A petition for a rehearing was filed as to this feature of the injunction, but the petition was overruled. No other view can properly be taken. If the plan adopted by the Bureau is unlawful, then it is void *as a whole*, though some particular features, standing alone, might be lawful. As held in the case of *Swift* v. *United States*, 196 U. S. 375, 396, whatever may be thought of the constituent elements separately, when taken as a whole they constitute an unlawful combination; and the Court will not undertake to construct a system which may be put into effect by the defendants.

JAMES M. BECK,
Solicitor General.
JAMES A. FOWLER,
Special Assistant to the Attorney General.

FEBRUARY, 1923.

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No. 807

IN THE
Supreme Court of the United States.

OCTOBER TERM, 1922

UNITED STATES OF AMERICA, APPELLANT

v.

AMERICAN LINSEED OIL COMPANY, ET AL.

Appeal from the District Court of the United States for the Northern District of Illinois.

Brief on Behalf of

ANKENEY LINSEED MFG. CO.
ARCHER-DANIELS LINSEED CO.
MINNESOTA LINSEED OIL CO.
NORTHERN LINSEED OIL CO.
RED WING LINSEED OIL CO.
THE TOLEDO SEED AND OIL CO.
THE MANN BROS. CO.
ARMSTRONG BUREAU OF RELATED INDUSTRIES
JULIAN ARMSTRONG
MONTAGUE FERRY

JOHN WALSH
LOUIS A. SPIESS
Solicitors for Said Defendants.

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IN THE

Supreme Court of the United States

OCTOBER TERM 1922

No. 307.

UNITED STATES OF AMERICA, PLAINTIFF

vs.

AMERICAN LINSEED COMPANY AND OTHERS,

DEFENDANTS.

BRIEF FOR DEFENDANTS

Ankeney Linseed Mfg. Co., Archer-Daniels Linseed Co., Minnesota Linseed Oil Co., Northern Linseed Oil Co., Red Wing Linseed Oil Co., The Toledo Seed and Oil Co., The Mann Bros. Co., Armstrong Bureau of Related Industries, Julian Armstrong and Montague Ferry.

This is an appeal on the part of the Government, from a decree of the District Court of the United States for the Northern District of Illinois in a suit tried in that Court before Hon. George A. Carpenter, District Judge, wherein after an opinion

and decree of the Judge on the merits, the bill of complaint was dismissed for want of equity.

The suit was instituted June 30, 1920 (R. 1), the trial commenced April 18, 1921 and concluded April 25, 1921, (R. 49), the Judge filed his written opinion November 1, 1921, the decree was entered December 3, 1921 (R. 48), and the appeal herein perfected March 18, 1922 (R. 161).

PARTIES AND PLEADINGS.

The defendants are (R. 1):

American Linseed Company, New York, N. Y.

Ankeney Linseed Mfg. Company, Des Moines, Iowa.

Archer-Daniels Linseed Company, Minneapolis, Minn.

William O. Goodrich Company, Milwaukee, Wis.

Hirst & Begley Linseed Company, Chicago, Ill.

Minnesota Linseed Oil Company, Minneapolis, Minn.

National Lead Company, New York, N. Y.

Northern Linseed Oil Company, Minneapolis, Minn.

Red Wing Linseed Oil Company, Red Wing, Minn.

The Sherwin-Williams Company, Cleveland, Ohio.

The Toledo Seed & Oil Company, Toledo, Ohio.

The Mann Bros. Company, Buffalo, New York.

Armstrong Bureau of Related Industries, Chicago, Illinois.

Julian Armstrong and Montague Ferry, both of Chicago, Illinois.

All of the defendant companies were engaged in the manufacture and sale in interstate commerce of linseed oil, cake and meal, and are commonly referred to in the record as crushers. The Armstrong Bureau of Related Industries is conducted by the defendant, Julian Armstrong. It is a Bureau which sells its services (hereinafter described) to groups of competitive manufacturers in different or related industries. The defendant crushers constituted such a group of competing manufacturers and were collectively referred to as the "Linseed Oil Industrial Council." The defendant, Ferry, was improperly made a party.

The Government prayed in its bill of complaint, that the court, upon final hearing decree and adjudge that the defendants have engaged in a combination and conspiracy to suppress competition among themselves in the sale of linseed oil, to enhance prices thereof, and to retard the lowering of prices, in the manner and by the means described in the bill in violation of the Act of Congress of July 2, 1890 (26 Stat. 209) commonly known as The Sherman Anti-Trust Act, and that the court thereupon issue its permanent injunction against the defendants and all persons unlawfully com-

bining and conspiring with them (R. 10).

All of the defendants answered the bill of complaint, either jointly or separately, in which they admitted that the defendant crushers were subscribers to and accepted the service of the Bureau, but denied that their conduct in that regard or their activities by reason of their affiliation with the Bureau constituted a combination or conspiracy in restraint of interstate commerce, or otherwise, and put at issue all the other material allegations of the complaint relative to the alleged combination and conspiracy. (R. 11-41).

FINDINGS OF FACT AND OPINION OF THE TRIAL JUDGE

The suit was not tried upon depositions, nor was there a reference to a Master, but all the witnesses were sworn and all the testimony was introduced in open court at the trial. All of the witnesses including representatives of each of the corporate defendants and the defendants Armstrong and Ferry, testified under the close attention and observation of the trial Judge, Hon. George A. Carpenter. After trial the Judge filed his written opinion (R. 42) which is as follows:

OPINION.

Carpenter, District Judge:

NOVEMBER 1, 1921.

In this case the United States, pursuant to the powers and duties imposed upon it by

the Sherman Anti-Trust Act, challenged as a combination or conspiracy a contract between the defendants, linseed-oil crushers, and the Armstrong Bureau.

The defendant, Julian Armstrong, in October, 1918, organized the Linseed Oil Council and operated it as a member of the Armstrong Bureau. The purpose of the council and bureau was to collect and furnish to the various members current quotations on linseed oil, the record of sale of oil, including price, statistics as to stocks on hand, crop conditions at home and abroad, and other information of interest or value to the manufacturers of linseed oil. The Armstrong Bureau entered into contracts with certain of the defendants and agreed to furnish them the foregoing information for a consideration.

Pursuant to these contracts the various subscribers daily reported their price lists to the bureau, and promptly sent word of any change. Other information was also furnished from time to time. The statements received and collected by the bureau were immediately sent out to all the members of the association.

The record discloses that the information collected and distributed by the bureau to its several members was of the kind which a sagacious business man secures, or endeavors to secure, in the operation of his enterprise. The information was true. The price lists

furnished were made in the regular course of business, and offered in good faith to customers or prospective customers. There was no proof that the members of the association ever, at the bureau meetings or at any other place, discussed prices or made agreements with respect to prices, and there was no evidence that the prices asked by any of the subscribers were not in accordance with the market price of flaxseed, upon which the price of linseed oil was based.

Production was not limited during the period the bureau was in operation. There was no proof of division of territory. There was no proof that the prices asked by the individual defendants were not fixed by them upon their own judgment, considering all factors affecting supply and demand. There was no proof showing that any member was under the slightest obligation or constraint to ask higher prices or maintain prices.

The main argument for the United States is that the operation of the bureau tended towards a stabilization or uniformity of price on any given day, which was not due to competition, in accordance with economic law.

Many tables of statistics were offered in evidence and read to the court, from which there appeared at times a striking similarity in price, and that changes in prices were made by substantially all the members coincidentally.

It appears further that the price of linseed oil is controlled by the price of flaxseed, and that the flaxseed market is an open one in which there are wide fluctuations as well as inactive periods.

The Government has not shown that there was artificial regulation of price, either by definite oral or written agreement or by tacit understanding.

Each individual crusher entering into a contract with the Armstrong Bureau specifically and expressly agreed that all information reported to the bureau or distributed by it should at all times be purely statistical and pertain only to past operations, and that the bureau should not be used to enable the constituent members to fix prices for the sale of linseed oil, cake, or meal; to limit the sale, production, or manufacture thereof or to divide the territory in which it was to be sold.

It is incumbent upon the Government to show by the clear preponderance of the evidence that the defendants conspired to restrain interstate commerce. In the absence of direct proof of actual entering into of such a combination, and in the face of the denial under oath of the defendants that any such conspiracy or combination was entered into or made, the Government must show that what the defendants did necessarily had the result of restraining trade, or, if it relies upon the circumstancial evidence to show

that a conspiracy was actually entered into, it must show to the satisfaction of the court that the circumstances upon which reliance is placed are entirely inconsistent with supposition of innocence.

The question involved is whether an association, such as the Armstrong Agency (sometimes called the open-price plan), is obnoxious to the antitrust laws, whether or not there is anything inherently wrong in an agreement between producers in a certain line to furnish each other their prices, and not to make any sale deviating from the price list without immediately notifying all the others.

Associations of merchants and manufacturers, boards of trade, and exchanges are of great antiquity. Evidently such associations were not aimed at by the Sherman Act, because they are not mentioned in the act. *A distinction is sought to be drawn between the operations of an exchange and what was done by the defendants through the Armstrong Bureau. An exchange sends out reports of actual sales. The Armstrong Bureau gave out price lists.* It is difficult to understand any ground for declaring one legal and the other illegal. Every producer or merchant desires to obtain for his goods the highest price he can get. The price which he charges is always the highest which he believes the traffic will bear. He cannot charge ordinarily more than his competitors. His competitors' price fixes the point above which he cannot go. When the merch-

ant fixes the price at the level of his competitors, he is fixing it in competition with his rival just as much as though he had named a lower price. The competition of his rival has prevented him from charging a higher price. If, on the other hand, he finds that he cannot move his goods at the price fixed by his competitors, he will naturally lower the price and this will establish a new level. This is the essence of what constitutes competition.

Quotations established by the sales on an exchange establish the market value at the time of the sale, but not the market value the day after. The prices at which goods are offered for sale at any moment establish the market value at that moment.

In those lines of merchandising where there are no exchanges the prices which producers and dealers put upon their goods constitute the market price. Cliquot's Champagne, 3 Wall. 114. In the trial of that case the judge charged the jury as follows:

"The market value of goods is the price at which the owner of the goods, or the producer, holds them for sale, the price at which they are freely offered in the market to all the world; such prices as dealers in the goods are willing to receive and purchasers are made to pay when the goods are bought and sold in the ordinary course of trade."

This charge was approved by the Supreme Court.

The above language was cited and approved by the Supreme Court in Muser v. Magone, 155 U. S. 240, at page 249.

If it is lawful for dealers to get together in an exchange and provide for a dissemination of the prices obtained on actual sales, why should it be unlawful for those producers and dealers in lines where no public exchange has been established to make some provision for disseminating information of market value or prices? To put it in another way, why should they be limited to the dissemination of the market prices of yesterday but not those of today.

In order to obtain efficiency in business, as well as in any other human activity, it is necessary to have reliable, immediate, and adequate records. With the progress that has been made in the last century it is not to be expected that business alone stood still.

In the old days when at noon the business men of the community met in the village blacksmith shop, or in the evening met at the corner grocery, a man was supposed to carry in his head all the facts in regard to his business and never to disclose them to a competitor. Adequate systems of accounting had not been devised. Overhead as a cost element in operation was unheard of. Business was run by the rule of thumb. Such days have gone by. The commercial enterprise today which is not so managed that its head can at any time know how large is his stock, the volume

of his sales, the cost of his operation, and the amount of his profit and loss, sooner or later will be distanced by competitors.

It is because business is so much more complex, the volume so much greater, the margin of profit on single transactions so much less, that the merchants of today must have at instant command reliable and adequate information, immediately to be secured and more or less permanent in form. Business is no longer a game of chance, but a matter of scientific calculation.

A merchant cannot compete with another merchant unless he knows what he must compete against. A knowledge of what his competitor is charging is the first step in competition. It does not follow because one man knows the price which his competitor is asking, and he then fixes the same price, that his action is by agreement. If his competitor charges a high price, he naturally will ask the same price if he thinks he can get it. It is absurd to imagine that every merchant does not endeavor to keep posted on the prices asked by his competitor. If he fails to keep posted he will find himself losing money. If his prices are too high his customers leave him. If too low, he fails to reap the profit to which he is entitled. The Government cannot seriously contend that it is the duty of every merchant to guard against his competitor finding out what he is charging. It would be

an impossibility. Nor is it wrong for a merchant to endeavor to find out what his rivals are charging. If he cannot get it directly and easily, he will necessarily get it indirectly and at a great expense and slowly. He must know in order to conduct his business properly; nor does the public profit by the mistakes of a merchant charging too much on the one hand or too little on the other for want of such information. The mistakes would in all probability fall equally on either side.

Quick and accurate information of what his competitors are charging naturally leads to uniformity in prices. But because one merchant charges the same price that the other merchant charges because he finds that he can get it, does not necessarily indicate that there is any agreement between them to charge the same price. As the Supreme Court said, in the Steel Case, a uniformity in price does not prove a conspiracy.

What applies to sales for present delivery, applies equally to sales for future delivery.

Much has been made by counsel for the Government of the fact that prices of oil went up along with the price of flaxseed; that afterwards when flaxseed decined sharply, the price of oil did not come down at the same rate, but declined at a much slower pace. The court will take judicial knowledge that for the past several months a decline in prices has been going on. The Government has failed to show that the phenomenon of the price

of oil declining at a slower rate than the price of flaxseed was not common in other lines, where the price of raw materials has fallen. That the price of the finished product on a declining market will fall at a slower rate than the price of the raw material is natural, and therefore expected. The price of the finished material, under conceded economic rules in the market where there is competition, will depend upon the supply and demand of the finished material. The drop in the price of the raw material does not affect the supply of the finished material. Time must elapse before the supply of finished material is increased by the low prices of raw material and until the supply of finished material is increased, assuming that the demand remains constant, no decline in price may be expected. When the price of raw material starts to go up, less of the finished material will be produced, and stoppage or slowing up of the manufacture of the finished material will be at once reflected in an increased price.

The court should not construe the acts of the defendants to be illegal when it can, with equal facility, ascribe them to an innocent intention.

But it is charged by the Government that the defendants themselves claim that the effect of the bureau was to stabilize prices. That is to say, as a result of accurate and instant knowledge on the part of producers the price of linseed oil instead of varying sharply from

day to day, as shown by the sales made, assumed an average price without deviation. If these deviations before had been the result of real competition, based on accurate knowledge by the producers of the real market conditions then the Government is far from sustaining its contentions. *The defendants, however, have shown, and their evidence is uncontradicted, that the deviations before existing were caused by the individual producers endeavoring to meet prices of their competitors which had never been made; and it is common in the trade for buyers to make false representations as to prices by other producers.* Surely such a condition is not the one that the Sherman Act aims to foster.

The Government was greatly disturbed by a statement in the defendant Ferry's book that the Armstrong Bureau brought about a stabilized market. This expression seems to have been a great bugaboo. Counsel for plaintiff would have the court believe that the term "stabilized market" means nothing other than uniform prices. Whatever the proper definition of the phrase, the record does not show that there was a stabilization or uniformity in prices.

The defendants contend and I agree that the term "stabilized market" means the obtaining and distributing of any accurate information that would enable crushers and buyers of linseed oil the better to understand the conditions of the flaxseed and oil market, to

the end that the speculative hazards which formerly had worked injury to both seller and buyer would be minimized and eventually eliminated and the economic law of supply and demand be more intelligently put into operation.

Complaint is made against what is called the "zone system" and differentials applying thereto. It is true the prices quoted had reference to certain well-defined territory, and the prices were accompanied by differentials to equalize the cost of railroad transportation. The record shows that these differentials were adopted after a thorough and intelligent investigation of freight rates from the base point to point of delivery, and the addition to the base price in the different zones was arrived at after a fair averaging of those freight rates into the designated territory.

Zoning for the purpose of fixing rates is not new. The Interstate Commerce Commission permits it in regulating the charges to be made by railroads. It is not a perfect system, and there is always a certain amount of discrimination to those who live on or near the dividing line between zones, and I have no doubt a few buyers of oil may have been to some extent penalized, but every buyer had the option of purchasing f. o. b. point of manufacture or f. o. b. point of delivery, and I must assume that the buyer would choose that f. o. b. point which seemed the most to his advantage.

The charge of the Government that the zone differentials were adopted in order that the price charged for oil would be artificially enhanced and the defendant crushers consequently enriched is not borne out by the evidence. *There was no zone in which all the crushers did business, and the bulk of the finished product sold by the defendants was for delivery in zones carrying minimum freight differentials.*

Counsel for the Government seeks to draw an inference of guilt from the admission of defendants that the bureau allowed them to sleep nights. *The only restraint which the rules of the bureau on their face impose is that the members agree not to deviate from their price lists without informing the other members at once by telegraph. At the close of each business day every member knew until the next day what the market was.* It seems to me that the situation thus created is not dissimilar from that sustained by the United States Supreme Court in Chicago Board of Trade *v.* United States, 246 U. S. 231. It is very evident that the Supreme Court does not believe that the Sherman Act should prevent men from sleeping nights.

The Armstrong Bureau was organized solely for the purpose of furnishing information not only to the linseed oil crushers but to those interested in every other industry. It was a bureau of intelligence, and one which makes for real rather than artificial competition in

trade. There was no restriction placed upon any member. He was free to buy from and sell to whomever he chose. The bureau operated solely as to past transactions, and wherever there is freedom of contract on the part of the constituent members there cannot be a violation of the Sherman Act.

The prosecution deep down evidently believes that an association of producers or merchants must necessarily be obnoxious to the Sherman Act, because it affords an opportunity for the members to conspire to restrain trade.

Where there is such an association it is perfectly natural for members to express themselves as to conditions and prices; in fact, that is what the association is formed for, and these expressions have been seized upon by counsel as evidence to show that a corrupt agreement was actually made.

To my mind some of these expressions are evidence that no such agreement was in fact made, if they are evidence of anything. It would be perfectly natural, among a meeting of oil men, for some one to say that he thought prices ought to be higher. The meaning conveyed by such an expression would be that the man was at a loss to understand why prices were not higher, taking into consideration the demand and supply and conditions of the trade. I might well say today that the weather ought to be cooler without laying my-

self open to the imputation that the temperature had been fixed by an agreement of mine.

Logic which assumes that because there is an opportunity to fix prices, therefore prices are fixed, is contrary to the genius and theory of our law. Every man is presumed to be innocent until he is proved to be guilty. If the Armstrong Bureau is to be dissolved merely because it afforded an opportunity for the members to fix prices, then this court, with equal propriety, could be asked to dissolve any lunch club where business men meet. This theory hardly warrants discussion, and I would not mention it had I not been gravely urged in this case, that such was the underlying thought of the prosecution. It is the ancient fallax—post hoc propter hoc.

The bill will be dismissed for want of equity.

It will be observed that portions of the foregoing opinion are printed in italics. This is done to emphasize the point that such portions constitute specific findings upon all the evidence of ultimate facts proved in the suit, as found by the trial Judge, and to call attention of the Court to the well established rule or customary practice of Appellate Courts giving great weight and deference to the findings of trial judges as to questions involved, when the value of the testimony depends upon the appearance and manner of the witnesses when testifying, and such weight should be given to the findings of fact of the trial Judge upon

which the court based its conclusions that there had been no combination in restraint of trade or commerce, and no unlawful monopolization of such trade or commerce.

United States vs. United Shoe Machinery Co., of N. J., 247 U. S. 969.

See also Adamson vs. Gilliland, 242 U. S. 350.

Davis vs. Schwartz, 156 U. S. 631.

THE ARMSTRONG BUREAU OF RELATED INDUSTRIES.

The Armstrong Bureau of Related Industries is conducted at Chicago by the defendant, Julian Armstrong, and is in the nature of a public exchange through which the Bureau's clients, consisting of competing business institutions in the same industry, obtain market information and statistical data essential to the intelligent direction of competitive effort and individual business operation.

Mr. Armstrong is assisted in directing the work of the Bureau by an executive staff of professional men, among them being the defendant, Montague Ferry, whose success in securing better working conditions and relations between employers and employees, is an important departmental factor in the service rendered by the Bureau to its clients. (R. 75). A force of clerks under the direction of competent executives, carry on the clerical work of the Bureau.

None of the executives or employees of the Bureau are in any way connected with the business of the Bureau's clients or holders of their securities.

The Bureau was organized in 1916 (R. 134) by Mr. Armstrong, and since its existence it has served and is serving a number of other groups in no way connected with the linseed oil industry, but which, like the linseed oil industry, have no other open market or exchange except that furnished them by the Bureau.

Mr. Armstrong's special knowledge and experience as to the conditions of the flaxseed, linseed oil, paint and varnish markets, gained through his fifteen years' experience in the manufacture and sale of paints and varnishes, (R. 134), was an added factor in the intelligent direction of the Bureau's service to the linseed oil industry.

The service of the Bureau to the Linseed Oil Council began about October 1, 1918, and concluded about July 1st, 1920. The Council constituted all of the defendant manufacturers in this suit, and in addition thereto, two of the largest manufacturers in the industry, Spencer Kellogg Sons, Inc., Buffalo, and Midland Linseed Products Co., Minneapolis, these two concerns alone producing and selling more than 50% of all the linseed oil, cake and meal manufactured and sold in the country. In the early part of 1920, during the period

of the Bureau's service, these two concerns withdrew from the Bureau, for reasons fully disclosed hereafter in this brief. In addition to the transmission of statistical data hereinafter referred to, and the adjustment of labor conditions, the Bureau rendered service to the Linseed Oil Council in the matter of: (R. 137-138)

1. The War Industries Board.
2. Flax development.
3. Uniform loading plan worked out with the Master Car Builders' Association.
4. Tariff.
5. Standardization of linseed oil for purity.
6. Seeking recognition from the American Society of Testing Materials.
7. Foots or sediment (cause and prevention).
8. Grade of Foreign Oil.
9. Filtering oil methods.
10. Investigation and "trade conference" on fairness of selling oil on pound basis rather than gallon.
11. Costs.
12. Containers.
13. Second hand barrels.
14. Leakage.
15. Substitution steel barrels for wooden barrels.
16. Advertising wider use of meal as stock food.
17. Joint marketing of meal. (R. 136-137-138)

18. Advertising the activities of the Linseed Oil Council.

19. Campaign of explanation of the operations of the Bureau.

20. Publishing a trade journal.

21. Credit information.

Each client of the Bureau entered into a contract with the Bureau (R. 169-178) for its service, the character and objects of the service and the obligation of each party being enumerated therein. The court is earnestly invited to scrutinize the provisions thereof.

The gravamen of the complaint in this suit involves the exchange through the Bureau of statistical information as to the past transactions of each subscriber to the service of the Bureau. The provisions of the contract relative to statistical service are as follows:

> "STATISTICAL SERVICE—The statistical service so to be furnished by the 'bureau' shall be accomplished and provided by the use of special reporting forms conveying information on past transactions as outlined herein and which may be modified, changed, and others provided as experience suggests or as called for by the 'subscribers' in any of their meetings and approved by the 'bureau.'
>
> "DAILY MARKET INFORMATION — The undersigned and each 'subscriber' hereto agrees:

"(a) To immediately, and when and as hereafter issued, deposit with the 'bureau' all published price lists of the undersigned covering raw and boiled linseed oil, cake and meal;

"(b) Also to report to the 'bureau' by prepaid telegraph, and further confirm by mail, duplicate of all quotations made at variance with above price lists, giving better terms to the contemplated purchasers than those quoted;

"(c) With all reports made in compliance with the above paragraph 'b' of quotations which amount to one carload or more of oil, cake or meal, there shall also be reported at the same time and in the same manner the prospective buyer's name, address, and f. o. b. point of shipment;

"(d) In so far as the above reports 'a,' 'b,' and 'c,' do not disclose the following, the undersigned 'subscriber' agrees to give the following information in connection therewith, that is: the exact prices, terms, and discounts, and whether made to jobber, dealer, or consumer, and in what quantities, carload or less than carload, and warehouse or mill prices;

"(e) Also to promptly report all changes in and alterations or withdrawals of the above, of every kind whatsoever, that may be made;

"(f) Also to promptly report by prepaid telegraph, and further confirm by mail, all orders received by the undersigned 'subscriber' in response to special quotations made as

above provided in paragraph 'c,' designating the quotation which is the basis of such order and any variance therefrom.

REPORTS OF SALES.

"(a) DAILY SALES REPORT—Directly at the close of each day's business each 'subscriber' shall mail by special delivery to the 'bureau' a complete report of all its carload sales for that day of oil, cake or meal, not covered by its previous daily sales reports, which report shall disclose the quantity and kind, price and terms, and whether for immediate or future delivery, and if no sale has been made, this fact shall be likewise reported.

"(b) WEEKLY SALES REPORT—For the purpose of compiling this report a map of the United States shall be divided into zones as agreed upon by all of the 'subscribers' to this service, and each 'subscriber' at the conclusion of the week shall send to the 'bureau' by special delivery, not later than the following Monday night, a compiled report of all of its sales of oil, cake or meal into each zone made during the period covered by such report and not previously so reported, specifically setting forth the following:

"(a-a) Total gallons of oil sold into each zone, also showing the total gallons and price per gallon received for such oil sold;

"(b-b) Total tonnage of cake and meal sold into each zone, also showing total weight and price received per ton for such cake or meal sold.

"(c-c) Sales reports on both oil, cake and meal, shall differentiate spot and future delivery, giving period of such futures.

"REPORT OF STOCK ON HAND—The undersigned agrees on or before the 10th day of each calendar month to report to the 'bureau:'

"(a) The number of gallons of oil on hand not covered by sale or contract.

"(b) The total tons of meal or cake on hand not covered by sale or contract.

"All of the foregoing market information as received by the 'bureau' will be promptly cleared and relayed by it to the undersigned 'subscriber' and to all other 'subscribers' in good standing.

"SPECIAL MARKET INFORMATION—Any 'subscriber' who has made offerings or quotations to a prospective buyer and is advised by such buyer that it is not to be awarded such business shall have the right to immediately advise the 'bureau' of such unsuccessful offering or quotation giving all details of such bid or offering, and may then request the 'bureau' to bulletin all of its 'subscribers' asking specific information regarding any quotation or sale to such prospective buyer by any of the other 'subscribers' and the 'bureau,' on receipt of such request, will immediately bulletin all 'subscribers' asking therefor and on receipt of replies will send out a compilation report thereof to all 'subscribers,'

together with the details of sale, if such a sale has been reported, so that all 'subscribers,' including the original inquirer, will have a complete report of this transaction.

"On receipt of a request for such specific information from the 'bureau,' the undersigned 'subscriber' will immediately reply to same giving full information as to any quotation or sale which it may have made to such a buyer and, if it has made none, so report.

"GENERAL MARKET INFORMATION —The 'bureau' will send to its 'subscribers' in the form of market letters 'news clippings' of interest to the industry which may be gathered by the 'bureau' or which may be submitted by the 'subscribers' as being of interest to the industry; providing, however, that all such information to be so distributed is in accordance with the object and terms of this agreement." (R. 175, par. 309; R. 177, par. 312).

At its inception, the Bureau issued to each subscriber a letter of instruction (R. 334) entitled "Important Points of the Service to be Uppermost in Your Mind," in which the Bureau instructed its clients as follows:

"1. Never advise the bureau what you intend to do, as the bureau can clear information only on action that has already taken place. To make this point clear, do not send to the bureau a statement such as 'We en-

close herewith price lists which will become effective next week.' When you file information with the bureau covering any of your quotations to your trade, such information can only be filed immediately after such action has taken place and the form for reporting such information is, 'We hand you herewith prices which we have today quoted our trade.'

"3. Remember also that there are no restrictions implied, understood, or agreed upon by which you are bound at any time to quote any prices other than those which your judgment prompts you to make. The bureau's service will keep you advised at all times of the prices quoted or the prevailing market, and it is up to you to undersell or oversell these prices according to your best judgment, but under the terms of the contract you must keep the bureau advised of any deviations from your last-reported quotation." (R. 334-335).

No claim is made by the Government that any of the provisions of the service contract were at any time or in any manner violated by the subscribers thereto, or that any of the instructions given at the inception of the service, as above set forth, were not strictly adhered to, except as the Government attempts to argue that the exchange of market information as provided for in the contract was for the purpose and had the effect of artificially affecting prices.

The Government in its brief has italicized portions of the service contract which we assume is for the purpose of calling the court's attention to clauses which the Government considers pertinent to its contentions that a combination and conspiracy existed between the defendants. Nowhere in the Government's brief, however, is there any statement purporting to show or to point out wherein the portions emphasized by the Government did have or could have any part in an unlawful combination or conspiracy as alleged in the complaint. We assert that the contract speaks for itself, that it was conceived and carried out in furtherance of a lawful purpose, to wit: that the clients of the Bureau would be afforded so far as the service of the Bureau could attain it, complete, accurate and immediate information as to past transactions, to the end that not only those clients but the ultimate consumer would be assured of keen, fair, intelligent competition and honest dealings at all times. Being convinced the court will carefully scrutinize and analyze the entire record in this case, we feel sure that the service contract and the activities of the Bureau's clients thereunder need no further defense against vague implications.

PROCEEDINGS IN THE LOWER COURT.

All of the oral testimany offered on the part of the Government consisted of the testimony of Will-

iam Hoch, F. J. Hurtz, Sol M. Sulsberger, and M. A. Richardson, all buyers of linseed oil doing business in the City of Chicago. The Government sought to prove by these witnesses that during the operation of the Bureau there was a uniformity in prices of linseed oil sold by the defendant manufacturers in Chicago. All of these witnesses were small buyers except Hoch, who purchased oil for Sears-Roebuck & Company. The record shows, as indicated elsewhere in this brief, that there was the keenest kind of competition for the business of Sears-Roebuck & Company.

The Government also called to the stand James T. Terry, (R. 50), Special Agent of the Bureau of Investigation of the Department of Justice, who testified that he made an investigation of the records of the Armstrong Bureau and checked certain tables which the Bureau prepared and that he verified the accuracy of these tables from the records of the Bureau. All the tables and charts introduced by the Government relative to the activities of the Bureau were prepared by the Bureau and admitted by the Government to be accurate and correct. After the introduction of some further documentary evidence the Government rested its case. (R. 51-52).

For the defendants, Armstrong and Ferry testified fully relative to the operations of the Bureau and its relations to the Linseed Oil Council and

its members. A representative of each of the manufacturing defendants testified relative to the activities of his concern in connection with the Bureau and the other manufacturers and of the trade conditions which obtained in the linseed oil and flaxseed markets. Five large buyers of linseed oil testified that during the operations of the Bureau competition was as open and keen as it was before or after the operations of the Bureau. The defendants offered to present as witnesses five more buyers of linseed oil and the Government admitted in the record that if called to the stand these witnesses would testify to a state of facts substantially as testified to by the five buyer witnesses who were called. (R. 123).

W. J. Tompkins, a traffic expert, testified relative to freight zones (R. 130) and Raymond Montgomery, who was connected with the Bureau, explained certain charts and tables which became defendants' exhibits, and the defendants rested. A large part of the oral testimony is later referred to in this brief, but the court is earnestly requested to read it all from the record. It will be ascertained therefrom that each of the defendant witnesses submitted himself to a searching and full examination on the subjects under inquiry, an examination in which the trial judge took a most keen and vigorous part. No objections were

interposed to any questions by either side. A full and complete picture of the industry and its relations with the Bureau were presented by this oral testimony.

We submit with confidence that a fair-minded person reading the whole testimony in the case will be convinced of the innocence of purpose and action of the defendants and the legitimacy of the results secured; that there was no agreement, either expressed or implied, to artificially affect prices, nor was there any combination or conspiracy in violation of the Sherman Law sought or secured.

It is difficult to comment on what the record shows was not done, but the Trial Judge summarized his conclusions in this respect by the following paragraph from his opinion: (R. 42)

> "Production was not limited during the period the Bureau was in operation. There was no proof of the division of territory. There was no proof that the prices asked by the individual defendants were not fixed by them upon their own judgment, considering all factors affecting supply and demand. There was no proof shown that any member was under the slightest obligation or constraint to ask higher prices or maintain prices."

The foregoing finding of the trial judge is sufficiently full and complete to predicate thereon the conclusion of law that there was no violation of the Sherman Antitrust Act. If he had found nothing further than the foregoing, the defendants would have been fully entitled to dismissal of the bill of complaint.

THE BRIEFS.

However, upon this appeal, the Government says in its brief:

> "As the Government asserts that it relies upon the contracts between the Bureau and its subscribers and upon circumstantial evidence to show the purposes of the plan and the necessary result of its operation, *a full statement and copious quotations from the evidence are deemed advisable, as it will thus be presented in an orderly way and not in fragments,* as would be the case if merely cited or a general statement made of its substance and the record had to be searched to ascertain its exact character." (Government's Brief, p. 4.) (Italics ours.)

The Government then presents in its brief the contract between the crushers and the Bureau without comment, and proceeds through some 130 pages to comment upon the evidence in an effort to show by what it admits to be circumstantial evidence that the defendants were engaged in a combination and conspiracy.

At the outset we vigorously assert that notwithstanding the professions of the Government as to the methods by which it presents and discusses the evidence in an effort to show by circumstantial evidence that the defendants were engaged in a combination and conspiracy, the comments of the Government on the evidence as disclosed by its brief are replete with what appear to us to be persistent misrepresentations of fact, misquotations of evidence, partial quotations of documents and statements of witnesses, when full and fair quotations would make them innocuous or beneficial evidence for the defendants; unwarranted inferences, unfair deductions, groundless suspicions and cynical characterizations. By reason of this method of attack by the plaintiff, our brief is much longer than would otherwise be necessary since these circumstances have compelled us to search the record carefully for the citations of fact with which to meet and challenge the detailed attack upon the defendants thus formulated by the Government.

We therefore take up each separate attack of the Government in the order in which it is made.

RELATIVE AMOUNT OF TOTAL BUSINESS DONE BY DEFENDANTS.

It is alleged in the original bill that the defendant manufacturers are nearly all of the most important producers of linseed oil in the United States, and the Government in its brief at pages

21 and 22 states that the allegation is true as shown by testimony of Mairs of the Archer-Daniels Company and by Quine of the American Company.

Mairs testified that the crushers located at Minneapolis are the American, the Northern, the Minnesota, Spencer-Kellogg, Midland, and themselves —six mills. (R79.)

Quine testified:

> "Q. And there are other crushers in New York City besides the American Linseed Company?
>
> "A. * * * Midland Linseed Products, Spencer-Kellogg Company and the National Lead Company." (R121.)

Spencer-Kellogg and Midland Companies were at one time subscribers to the Bureau's service but were not made defendants in this suit.

Government Exhibit 9 (R269) shows that during the operation of the Council under the Bureau all subscribers sold 17,521,930 gallons of spot oil and that of this amount Spencer-Kellogg and Midland sold 7,420,358 gallons or 42.3%. During the same period all subscribers sold 61,531,879 gallons of future oil, and that of this amount, Spencer-Kellogg and Midland sold 32,590,451 gallons or 53%.

During the same period all subscribers sold 1,988,132 gallons of oil designated as "undetermined," that is, the record does not show whether

spot or future, and of this amount Spencer-Kellogg and Midland sold 663,344 gallons or 33.4%. The figures show that on the whole Spencer-Kellogg and Midland sold half (50.2%) of all oil sold by the subscribers while members of the Armstrong Bureau, clearly disproving, we contend, the allegation of the Government that the defendants are nearly all of the most important producers of linseed oil.

The inability of the defendant subscribers through the Armstrong Bureau's service to artificially enhance, fix or retard the lowering of prices, had such been their purpose, with the two largest and most dominant factors in the industry not taking any part therein, is referred to later in this brief.

ZONING.

The Government in its brief (pages 23 to 35) lays great stress on the matter of zones used by the defendant crushers, and endeavors to portray the use of such zones as a plan or scheme by which the crushers were enabled to fix prices and control production. Counsel for the Government begins his argument on the question of zones by stating that "it is alleged in the bill that the defendants agreed that the United States should be divided into eight zones, * * * and that these zones and prices for the several zones were adopted in

order that the general plan to control production and prices might be more conveniently and successfully carried out (R. 4)."

The only reference to zones in the bill is contained in Article V, paragraphs 6 and 7 (R4), but there is no allegation in said paragraphs or anywhere else in the bill "that these zones and prices for the several zones were adopted in order that the general plan to control production and prics might be more conveniently and successfully carried out." As a matter of fact there is not a semblance of evidence anywhere in the record that there ever was an attempt made by these defendants to control or limit production.

The adoption of these zones was discussed at the first meeting of the Linseed Oil Council held September 17, 1918, and the minutes of this meeting show that the zoning plan was proposed for the purpose of intelligently exchanging market information. At this meeting no mention was made of freight rates or freight differentials. These minutes provided that if any member of the Council "is not active in any zone" he shall so state; that "it was the sense of the meeting that these zones would have to be changed." (R. 667).

Forgetting for the moment that these zones later also indicated freight differentials, let us see if dividing the country into zones merely for the purpose of quickly identifying territorial quotations

and sales could result in unlawful restraint of trade, and if as a matter of record, did actually restrain trade in interstate commerce. Let us assume that each defendant crusher operated in every zone. On a certain day reports come to the Bureau from Subscriber "A" that he had lowered his price and had sold a great many barrels of linseed oil in Zone 2. This information is immediately relayed to all the other subscribers. Does not this information at once inform the other subscribers that the volume of business in Zone 2 is increasing? Does not such information also have the effect of immediately putting the sales forces of these other subscribers to work in that zone to secure a share of that business? Suppose upon receipt of this information some of the other subscribers start after business in that particular zone but cannot get any because their prices are not as attractive as Subscriber "A" is quoting. As business men, are they going to leave that zone with its attractive promise of sales and seek business elsewhere, or, are they going to make their prices low enough to secure business offered in that zone? No answer seems necessary. Suppose, however, Subscriber "A" has raised his price on linseed oil in this zone and the other subscribers receiving information from the Bureau that this particular zone is showing sales, seek business in that zone at prices which are lower than

Subscriber "A" (and the record shows that varying prices were quoted by these subscribers much more often than not), is the business in that zone going to Subscriber "A," who is quoting higher prices, or to the subscribers who are quoting lower prices? This also calls for no answer. It is asserted, therefore, that dividing the country into zones was primarily for the purpose, and had the result, of intelligently reporting territorial quotations and sales in the respective zones; that the zoning was intended to, and did result, in promoting keen competition between the various subscribers in these zones at all times. Later, at the meeting of October 14, 1918, the effect of the various freight differentials on shipments to the Pacific Coast was taken up (R669-670). No discussion was had at this meeting as to freight differentials in the other zones.

At the meeting of November 13, 1918, we find the initial recommendation of differentials representing freight costs for the various zones. The court is respectfully requested to minutely examine the minutes of this meeting as regards the adoption of the freight differentials in these zones. That these differentials were adopted only after careful analysis of actual transportation costs and in fairness to the buyer of linseed oil is shown from the following (R671):

"The matter of revisions in the freight zone map was then taken up as it was evident that changes were in order because of some portions in these zones being greatly affected by water rates.

"Suggestions for such revisions, as made by two of the subscribers were set forth by colored lines upon a large map and it was clearly shown that the Southern Atlantic and Gulf Port States, favored by water rates from New York, required additional zoning and Spencer Kellog's proposed zone four covering this territory was a logical addition.

"It was further shown that the cities of Richmond and Norfolk, Va., by reason of their nearness to the line of zone three, were logically entitled to a better freight allowance than the other markets located with them in zone four.

"To cover this situation it was the sense of the meeting that the cities of Richmond and Norfolk were entitled to one per cent per gallon differential over *the respective prices* for zone three."

(EXCERPTS FROM MINUTES OF MEETING, DECEMBER 16, 1918.)

"23. The acceptance of the freight zones recommended was then taken up.

"24. Mr. Quine advocated a return to the old custom of basing the subscribers' price lists on Minneapolis, suggesting that the services of a competent traffic man be secured to classify

freight rates for the information of manufacturers and, in a way which would cover the various distribution or warehouse points on even figures only, such rates being expressed as so much per gallon over Minneapolis base prices, all of this to be published as a freight traffic book for the use of the Council members.

"25. Mr. Quine's suggestion developed a general discussion of the whole matter, Mr. Kellogg reiterating his belief that the freight zone was really the fairest way to handle the whole matter in the case of both buyer and seller and with due regard to simplicity and directness.

"26. In connection with the freight zone matter, specific reference was made to the apparent need for the correction of differentials as applied to Lincoln, Nebraska, and Memphis, Tennessee.

"27. It was the sense of the meeting that Lincoln, Nebraska, should be temporarily regarded as a zone 2 point, carrying a differential of 1c per gallon over zone 1, while in order to equalize the Memphis situation that market should carry a 3c. differential over zone 1.

"28. As the lists of agents filed by the subscribers with the Bureau indicate where substantial stocks are carried, the Bureau was authorized to secure the counsel of a competent traffic man for the survey of the matter and re-

port at the next meeting with a tabulation of freight costs from Minneapolis to the various distributing centers." (R745.)

Market Letter No. 276—Flaxseed Crushing Industry, February 20, 1919.

Inquiry Regarding Subscriber No. 1's Price for Ft. Smith, Ark.

To AMERICAN LINSEED COMPANY:

Will you kindly reply promptly and fully through the bureau to the letter published below?

Buffalo, N. Y., February 19 ,1919.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Quotation report No. 28, Subscriber No. 1.

Gentlemen: We note from the price list as now filed by Subscriber No. 1 under date of February 14th, that their price for Fort Smith, Ark., is $1.49¼, notwithstanding that this point is located in zone No. 7 which, according to their own price list, is $1.51 cooperage car lots direct shipment.

The purpose of this letter is to ascertain if there has been any special consideration made covering the point in question.

Yours truly,

(Signed) SPENCER KELLOG AND SONS, INC.
V. H. HUNTER,
General Sales Manager.

Market Letter No. 294—Flaxseed Crushing Industry, February 27, 1919.

Reply to Market Letter No. 276, Inquiry Regarding Subscriber No. 1's Price for Ft. Smith, Ark.

New York, February 24, 1919.

ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

Gentlemen: In reply to your market letter No. 276, we have made an exception with respect to Ft. Smith, Ark., just as we have made an exception in the case of Memphis, and Lincoln, Nebraska.

Yours very truly,
AMERICAN LINSEED COMPANY,
(Signed) F. K. QUINE,
Manager Oil Sales Dept.

William O. Goodrich, one of the defendant crushers, testified (R. 96) with respect to zones that the purpose of the zone map as he understood it was to facilitate relaying of information to the Bureau, and that

> "the fact of having these zones was not new at all. It was merely a way to divide up the freight rates so that it was not necessary to go into extensive calculations in figuring the rate of freight to a point in any zone. The basic rate was made at the point where the seed originated, and we figured that a mill at that point was manufacturing at the lowest or

basic price and that the distribution should be in accordance with the cost of freight to get the goods from that point to the various points in the country. The zones included certain areas that had approximately the same freight rates in order to eliminate small differences in various local points in these various zones. There was, of course, a change in that method, occasioned by the fact that the crop was almost a complete failure in the Northwest, and I and others were obliged to buy seed from South America. We reversed the condition and made New York naturally the base. At that time we simply reversed the proposition, making zone 3 the basic point, as that was the cheapest point, and from there on the rates were elevated in accordance with the freight rates to the different parts of the country.

Carpenter, J. Did you manufacture in New York when the seed came from Argentina?

A. No, sir.

Carpenter, J. All of your refining was done in Milwaukee?

A. Yes; I only have the one mill.

Carpenter, J. I was trying to understand why you should have to change your price zone if the seed came from New York and Argentina rather than through Minneapolis from the Northwest.

A. Well, Judge, because if it comes from New York, I am at a very great disadvantage with the New York man. I have paid 35 cents or 40 cents a hundred to get the seed from

New York to Milwaukee, and if I again send the oil back to New York I am at a still greater disadvantage to that man. It really resulted in cutting me out entirely in the eastern market. I was no longer able to compete, but it was quite right that New York should be made the base.

I had to adopt the basis of the New York man's price, but I did not attempt to sell in New York. I was not able to get anywhere near New York, and I have not been able to ever since. The adoption of the zoning system certainly did not in any way fix any price or have a tendency to fix the prices which I might quote anywhere. It only made the prices relative and commensurate with the freight rate to any particular point. Previous to the adoption of the zoning system it was a somewhat laborious undertaking to find out what the actual freight was and figure it to a man's town. The zone figures are somewhat approximate. It did not always follow that it costs exactly 2 cents a barrel to get into zone 2, but it was as nearly as we could approximate it. Our contracts read "f. o. b. point of delivery, freight allowed."

Q. And you do not impose that obligation on any one, do you?

A. No, sir. Not unless—

Q. Each buyer is at liberty to pay his own freight and buy it at the lower price?

A. Yes; that is, if he signs a contract, we won't object.

The attention of the Court is called to the word "price" appearing at the beginning of line 3 on page 29 of the Government's brief for the purpose of showing that Goodrich did not testify "that the price should be in accordance with the cost of freight," but testified "that the distribution should be in accordance with the cost of freight." (R96.) The Court's attention is called to this discrepancy between the Government's brief and the record for the reason that throughout the entire proceedings in the lower court and now in this brief the Government is particularly referring to "the price." That there was never considered by these defendant crushers or the Armstrong Bureau any such thing as "the price" will be more fully set forth in another portion of this brief, particularly as relates to "legal exceptions."

Samuel Mairs of the Archer-Daniels Co. testified as to zones (R78):

> "I don't know that I can explain this zone system, but I will try to. We have mills in Minneapolis and Toledo and in Buffalo. We call Minneapolis our zone one, and make that our base, because we figure that the Minneapolis market is the best for the raw material and that we are manufacturing at our cheapest where we can buy the flaxseed. Those conditions changed at different times. Sometimes the Argentine market became the cheapest,

and then we would change our base to zone three, which is in Buffalo. If we had to move the seed from Duluth to Toledo, there would be a freight change in there, and we figured we couldn't manufacture as cheap in Toledo as we could in Minneapolis. The zone system was established, as I understand, so as to make an easier way of reporting sales to the Armstrong Bureau and so one would get intelligent information from the Bureau. If the freight was higher to a certain point, or if a man wished to pay f. o. b., we would be very glad to sell him f. o. b., no matter what zone he lived in. The differentials adopted were based as near as possible on the freights.

"Q. After the adoption of the zone system, did it make any difference in the matter of your quotations in the different portions of the United States, so far as zones were concerned? Did it make any difference in your quotations as to the prices you charged in the different portions of the United States?

"A. No, sir.

"Q. Why didn't it?

"A. Because we made our basic price in Minneapolis; then we would use that base to add on the difference in the zone prices."

F. C. Smith of Minnesota Linseed Oil Co. testified with respect to zones (R109):

"I think the base price was originally arrived at in Minneapolis on account of the flax, as the supply for the industry at that time

originated in the Northwest. That made Minneapolis the nearest manufacturing point to the actual source of supply, which would naturally make the prices at a distance from that base price higher. Later on we had a failure of the flax crop in the Northwest and the source of supply was from the Argentine, which naturally transferred the base to New York. The change was made, as far as my recollection serves me, merely by filing prices with the Bureau showing the prices in the different zones. The differentials shown in the zone system are based upon the distance and expense of getting the oil into the zones.

"We sell either f. o. b. at the mill or f. o. b. at the buyer's plant. F. o. b. the crusher's plant is most decidedly the more favorable to the crusher, because he is relieved of all responsibility in the matter of transportation. Of course, when we sell f. o. b. the buyer's plant, the freight to there would be in the price. One reason the buyer wishes terms f. o. b. his station is that otherwise the crusher would not be responsible for leakage in transit * * *."

F. K. Quine of the American Linseed Oil Co. testified as to zones (R117):

"Our principal office is in New York, in zone No. 3. The differentials defined by the Armstrong Council are simply a definition of a custom or practice that has existed ever since I knew anything about the linseed oil business.

The adoption of the zones did not make any change in the method of our quoting prices to our trade. The base price, except when the Argentine seed is on a parity or under a parity with Minneapolis, is with Minneapolis, as that is where we usually get our largest supply of raw material. As I recall it, there was no bureau or council action on the question of changing the base from Minneapolis to New York, but it was done by individual action on account of the crop failure in this country and the necessity of getting the supply from Argentina. A purchaser can always buy from us f. o. b. his place or f. o. b. our mill."

* * * * * *

"Q. You could make sales from Buffalo into zone 2, in certain points in zone 2, where the freight rate would be no higher or no different from sales into certain points in zone 3?

"A. Yes, sir.

"Q. Now, then, on those sales you would have to charge, although the freight rate was the same—you would have to charge a higher price on the sale into zone 3 than you would on the sale into zone 2?

"A. Yes.

"Q. Precisely. How is that justified?

"A. Well, that has been a common custom of the trade for twenty-three or twenty-four years since I have been in it.

"We had a much higher differential before the Bureau than that which existed during the Bureau, and there is nothing new in the

map, although we did not have a map before. I personally did not have to draw a map to know what the lines of demarcation were. They were practically the same before as in the zones adopted by the Bureau, although there may be some slight deviations. But, after all, zones do not make any particular difference as to the making of prices. They were, however, generally adhered to and were a custom of the trade. The resolution simply defined a common practice."

* * * * * *

W. J. Tompkins, traffic counsellor, testified (R130):

"I studied the zone map (Government Exhibit 5). It is customary for some organizations throughout the country to sell on a zone basis, as for instance the Steel Valve Manufacturers' Association and the Salt Producers' Association.

"The zoning process generally, as I have understood, is that it simplifies the method of distribution. Take, for instance, a base point which usually is, from a transportation point of view, the determining factor, and making that the base point, and then radiating out from that various territories or zones based on differentials or arbitraries over the base point or base zone.

"Q. And is the railroad rate in every case determined by the distance of the particular destination from the point of origin?

"A. Not by any means.

"Q. What other determining features are there in the making of railroad rates?

"A. The cost of operation, of course, entering first; the service to be performed, the value of that service to the shipper; and the volume of business moving, which is a very large factor, the commission having said in many opinions that the volume of business determines in a very large measure the measure of compensation that the carrier shall receive. The competitive conditions are another very distinct feature.

"Q. Are the competitive conditions an important feature—

"A. Most important.

"Q. In determining rates?

"A. Very important; yes, sir. They have recognized that, if I may state, in the coal cases. They have taken the distribution from the large coal areas of production, and they zoned that into three zones with two or three subzones; they are known generally as the Outer Crescent, the Inner Crescent, and the Ohio fields. They then, also, in addition to that, zoned the points of destination, and have determined the rates entirely apart from the mileage, but according entirely to the competitive conditions existing, the ability of the railroads to move the freights, and the general flow of traffic. There are other cases that I may say I could mention. The entire rate fabric of the country between the Atlantic

and the Pacific Oceans is zoned and approved by the Interstate Commerce Commission, in the matter of the transcontinental business, both east and westbound. The percentage, the rates, both in class and commodity rates, are zoned and approved by the Interstate Commerce Commission in the movement of all business both east and westbound from the Atlantic coast to Chicago and to the Mississippi River."

* * * * * *

"Assuming that Minneapolis and St. Paul are base points for production of linseed oil, and having reference to freight rates, and to selling costs in the various zones outlined, the zoning shown on the freight zone map, Government Exhibit 5, in my opinion, does not work an unfair discrimination against buyers in any of those zones. As a matter of fact, taking all the factors from a transportation point of view, into consideration, whoever devised that plan, I think, was very careful in devising it, and it seemed from a transportation point of view to very accurately represent the conditions.

"The Court. Q. You mean that if a zoning system must be used at all, that this does not show any more than the organic distribution?

"A. Yes.

"The Court. Q. So that when you have zones, and approach the border, there are bound to be discriminations?

"A. Yes. That has been worked out, by the Interstate Commerce Commission; they have recognized that principle many, many times, but say for the general good it operates to the advantage, to have the grouping system."

John Mann of Buffalo testified (R70):

* * * * * *

"We always had a zone system in our business. We are bound to have it, because the farther you get away from the plant to sell the goods the higher is the cost to get them to the buyer, and consequently there must be an increase in price to cover that. That has always been our policy. The adoption of the zone system practically would not change our policy in reference to quoting prices. We quoted a base price at the mill, and we would sell at that price anywhere in a certain territory within a certain mileage from the mill. We practically pay, or we allow, transportation charges on our sales. For instance, say I was quoting oil to a man today at 56 cents a gallon. From this we would allow a deduction of four cents a gallon toward payment of freight. It really means that we do pay it or allow it. Supposing the price of oil today at Buffalo to be 60 cents, if we were to sell that oil, say, in Nashville, Tennessee, the price would have to be much higher than that to cover the cost to get it there, or otherwise we would not touch the business."

Market Letter No. 201—Flaxseed Crushing Industry—January 27, 1919.

Excerpts from minutes of meeting, January 23d, 1919 (R381):

"21. As the Bureau had been commissioned at the last meeting to obtain figures showing the freight costs on oil per gallon from Minneapolis as a basis the different distributing centers where oil was carried in warehouse by various council members Mr. Armstrong, for the Bureau, distributed a sheet of such tabulations as prepared by the Lent Traffic Service of Pittsburgh, the rates listed thereon being given in cents per ton for meal, cents per 100 pounds, and cents per gallon for oil in tank cars, together with cents per gallon for oil in barrels.

* * * * * *

"25. In order to secure definite analysis of such price lists the roll was called on the question as to whether or no the various price lists of the council members now on file with the Bureau and covering the present freight zone system could be stated to represent delivered prices on full carloads only until such council members should advise to the contrary through the Bureau. The answer to this question was unanimously in the affirmative.

* * * * * *

"26. NOTE.—The council members are advised by the Bureau that while their answer to the above question is to be accepted as a sys-

tem of their present basis of making their respective quotations and clearing same through the Bureau, there are no restrictions whatsoever in making any changes that they may see fit to make in such policy excepting, of course, that they shall at once advise the Bureau fully and completely when such changes have been made."

Market Letter No. 370—Flaxseed Crushing Industry—March 28, 1919.

(Excerpts from minutes of meeting, March 26th, 1919.) (R439.)

"31. The subject of the new system of merchandising as carried over from the last meeting was then taken up, and the secretary read a brief report from the Bureau on this matter covering the cost of the freight rate hand book.

"32. When this question was first discussed the Bureau's inquiries for service covered a considerable field and selection was finally made of the Lent Traffic Co. of Pittsburgh, Pa., as being particularly well equipped to give the required information with the utmost promptitude and in a reliable manner.

"33. This company has been rendering traffic service to large industrial interests for twenty-five years, are regularly in touch with all sources of information, do a large business in freight auditing, and conduct cases before the various traffic commissions.

"34. The proposition they have submitted would be to prepare freight sheets covering linseed meal and cake and linseed oil from three points of origin—New York, Buffalo, and Minneapolis—to 20 distributing points to be selected by the council, and the supply of sufficient sheets for each subscriber. These sheets would give the carload freight for oil, cake, and meal per short ton (2,000 lbs.), the carload freight of oil in tank cars per 100 lbs. and per gallon to each distributing point based on a weight of 7½ lbs. per gallon, and the same information on oil in cooperage based upon a weight of 9 lbs. per gallon. Freight sheets would be daily checked for changes to any one of the distributing points, and new sheets issued immediately any change was advised and for every change made.

"35. The supply of freight sheets would be sent to the Bureau and be distributed through our daily distribution of market matter. The cost for such service, including the Bureau's supervision, would be $750.00 per year. This amount divided equally among the council would give them freight sheet service at a cost of approximately $58.00 each per year.

"36. Should it be decided to increase the number of distributing centers to 30, the cost would be $850.00 per year, or $65.60 annually for each subscriber, and further additions could be made at any time at an additional cost of $100.00 per year for each ten additional distributing points.

"37. There was then a discussion of this plan versus the present zone system and it was evident from that discussion that the council was somewhat divided on the two plans.

"38. Mr. Matthews offered a proposal from the Spencer Kellog Company covered by the following resolution:

"39. RESOLVED, That it is the sense of the meeting that the subscribers continue to file their price lists on the zone system as now in force, but that in cases where less than carload shipments are made from mill or distributing points that one cent be added to the zone warehouse prices in lieu of freight, and the actual freight prepaid. The following points to comprise mill and distributing centers:

(List.)

"40. This resolution and the operation of Mr. Matthews' proposed plan was generally discussed, but upon analysis of the expressions from various council members it was evident that this resolution could not be unanimously approved at this meeting, and therefore the resolution was not allowed to go to vote by the chair."

MEETINGS.

The Government devotes very little of its brief to the meetings of the Linseed Oil Council, but leaves a great deal to be inferred from a few cryptic statements as to binding agreements and

"round table discussions." That the Court may have before it a comprehensive resume of what was and what was not done at these meetings, the following is submitted from the record:

Mr. Ferry testifying as to the meetings (R86):

> "After the taking of the attendance is what we call the 'round table,' or what has been referred to as the 'roll call.' That is in a sense a means of clearing away any possible little misunderstandings that have held over from the written exchange of market information. For instance, one manufacturer might wonder why another manufacturer had done a certain thing for his own good reasons. He very often states why he wants to know, although in some cases he does not. The first man in alphabetical order is, as we say, 'put on the carpet,' which is a term which means comparatively little. Then we go around and call the roll of the others, and each one has the privilege of asking such questions as he desires of the other. Those questions are sometimes such as 'What are you paying for a certain kind of labor?' 'What quotations are you getting on barrels?' 'In your experience, what has been the best way to filter linseed oil?' I could go on almost without end on the sort of questions that are asked. The man answering the question, of course, has the right, if he considers it too leading, or if it infringes on his business privacy, to refuse to answer, and

as a matter of fact such questions are seldom asked. The whole tone of the proposition is just simply a clearing of any possible atmosphere. There have been many cases when we have gone through that roll call and there has not been a single question asked. Yet, there are other times when it brings forth the most constructive information. Such information, for instance, may relate to handling labor, of the question of whether it is better to use steel barrels or wooden barrels, the question of how best to filter linseed oil, the manufacturing process, and everything under the sun. There is absolutely no bitterness or animosity at any of these meetings. Occasionally at these 'round tables' one may may ask another man about the past price in some transaction which he does not understand, or there may be some detail of it that he wants cleared up, but which he has not thought was important enough to write a special letter about and concerning which he has just said to himself, 'I will wait and ask the other men at the meeting.' There has never been a discussion as to what prices were to be charged by any of the crushers.

"Q. If any such discussion were attempted, what would occur, if anything?

"A. If such a discussion seems imminent, which it has at times, the Bureau promptly cuts it short or rather cuts it out altogether. That is the function of the director.

"There absolutely were not at any of the meetings that I ever attended any agreements

or understandings, expressed or implied or otherwise, in reference to prices which any subscriber to the Bureau might make."

Mr. Armstrong testified as to the meetings (R136):

"The meetings of the Linseed Oil Council convened at 10.30, adjourned for luncheon at 12 o'clock convened again at 1 o'clock and adjourned at 4:30 or 5 o'clock. There were some shorter sessions. In anticipation of approaching meetings we sent out what we called a docket in order to systematize the meetings. These dockets were sent out two weeks in advance and contained the important questions for discussion, so that each subscriber necessarily had to be prepared and discussed the matters intelligently. That, however, did not prevent the discussion of any other questions that might come up, but as a general rule the dockets are reflected in the minutes of the meetings.

"The questions of prices to be charged and matters of that kind were never discussed at the meetings. There were twenty meetings in all of the Linseed Oil Council. The docket is made up of matters suggested by the crushers for general discussion and of matters laid over from previous meetings for further research. In any of this work where we find a group in a more or less chaotic condition with regard to merchandise practices we do not get

at the finer or more constructive features of our work for some time. I think in this industry where the service started in October, those broader features of service did not enter into our discussions until some time in February. Beginning with the institution of the service the work with the War Industries Board was of very direct interest to us and was a part of our cooperation. We immediately started the matter of flax development, but Mr. Nolan's bureau, under his direction, was doing practically everything that could be done in that respect. Then there was a discussion of a uniform loading plan which was worked out with the Master Car Builders' Association. Our Committee worked out a plan with that association and the plan was adopted. The matter was very scientifically gone into, and some blue prints were finally decided upon, were distributed through the Bureau service and were adopted by the manufacturers.

"We also had work on our tariff committee, which, however, was not very active at the outset, because the tariff question was not then active. Then there was the standardization committee, of which Mr. Hirst was chairman, in which we endeavored to work out a standard definition whereby the purity of linseed oil would be established. The committee also worked for recognition from the American Society of Testing Materials. We wanted

to work out this standardization so that the public would be afforded a rule by which they could know whether or not they were getting pure linseed oil. There are in fact impurities in linseed oil and there are impure substitutes. 'Foots' in linseed oil means the precipitation or sediment that comes from different grades of flaxseed. I believe that there is a larger precipitation in linseed oil crushed from the Argentine seed than there is in that crushed from domestic seed. Immediately after the armistice a great deal of foreign oil came into this country and we were receiving complaints from the trade as to this abnormal amount of precipitation. Our research work naturally was to show that the American manufacturers were producing a higher grade of oil. In that connection we instituted some tests by committee work to ascertain whether filtration of oil through filter paper instead of filter cloths would produce an oil of better clarity. We found that filter paper was better in some instances, and that information was given to the council for what it was worth. We then instituted a rather extensive test that was conducted by two of our members in their own plants to see whether or not linseed oil could be clarified by centrifugal force. I believe the result of that was that it was not as desirable as the filtration through the regular presses.

"All of those subjects were a part of our work at our meetings. I also have here a notation of the work undertaken by the council through the Bureau and by the council members themselves to bring about a different merchandising practice in the sale of linseed oil. This oil is sold on a gallon measure basis, instead of a pound basis, as all other oils are sold. There has always been a great deal of controversy, and I believe several law suits, as to the actual weight of a gallon of linseed oil. It has been the practice in this industry to take 7½ pounds for a gallon, although as a matter of fact I believe that figure is erroneous and that it should be a little more. We, therefore, in the interest of the consumer, circularized the trade to see whether or not the trade would approve a change in the basis of measuring oil from the gallon measure to the pound. The trade was circularized at considerable expense by the Bureau, but mostly by the crushers, in accordance with a plan agreed upon by them through the Bureau. We found that the larger consumers were in favor of the pound basis, but the little consumers averse to a change, and we did not institute the change. It should be done, and I hope some day that it will be done.

"Another subject is the usual discussion of costs, which pertains to all our groups. In the linseed industry the most important factor in the discussion of costs was the bringing about

of the recognition of an accurate figure to represent the cost of the containers. In my linseed oil buying experience I wanted at all times to know that the differential between oil in containers and tank wagons represented actually the cost of the package. So in this industry we exchanged costs on container and in that way recommended the adopted costs. The linseed oil industry uses what is known as second-hand barrels, and we gather the cost of them throughout the country. There is more or less leakage from second-hand barrels and wooden barrels and we took up the question of substituting steel barrels. We found that it was not practical for all the manufacturers unless they were of considerable size to handle and invest in the steel barrels so as to substitute them for wooden barrels, but the council was in hopes that it would come about.

"In the matter of publicity we saw a great opportunity for a joint advertising campaign to develop a wider use of meal by stock growers. It is largely consumed in foreign countries for stock feeding, and we decided and recommended that if the farmers and stock growers in this country could be brought to a clear understanding of the food value of this meal that we would increase the market for it and have it consumed in this country instead of abroad. We discussed a plan for the joint marketing of the meal."

In the second paragraph of page 36 of the Government's brief statement is made "that each subscriber could be subjected to a searching cross-examination concerning any transaction had by him or any practice incident to the manufacture or sale of oil." Ferry's quoted testimony shows that the very opposite was the case. He testified (R86):

> "The man answering the question, of course, has the right, if he considers it too leading, or if it infringes on his business privacy, to refuse to answer, and as a matter of fact, such questions are seldom asked."

Further, an examination of the whole record in this case does not disclose a single instance where "a subscriber was subjected to a searching cross-examination of any kind."

On pages 38 and 39 of the Government brief two excerpts from the minutes of the council meetings are set out dealing with the "round table" feature, and then follows the statement by the Government, "no comment is necessary to show how effective must have been the friendly companionships prevalent at these meetings as described by Mr. Ferry." Does a statement like this throw any light on the case at bar? Is there anything in these excerpts that suggests a conspiracy to restrain trade or fix prices? Does this insinuation, born of suspicion

in the mind of Government counsel, strengthen that other Government innuendo that these men were searchingly cross-examined and reproved for their acts?

We quote below what the minutes of two other meetings disclosed as to these "round table" discussions.

Market Letter No. 1330 (March 10, 1920) (R416):

> 6. The roll-call feature under this order of business was instituted and partially gone through with, but as it was evident to the meeting that no one had any specific questions to ask of any other council member regarding past and closed transactions, the question was asked as to whether this roll call was necessary at this meeting with the answer in the negative.

Market Letter No. 1366 (April 13, 1920) (R416):

> 6. Upon question from the secretary as to whether or not the roll call under this order of business should be gone through with, it was the sense of the meeting that this order could be dispensed with. The Secretary then advised that any matters of general interest, not docketed, which would fit in under this order of business might be brought up by the council members.

If these "round table" discussions were used as part of a plan to unlawfully restrain trade does it seem plausible that this order of business would be dispensed with at these meetings? Every one of the defendants was subjected to cross-examination by counsel for the Government in the lower court, and nothing appears in the record to show that these "round table" discussions tended in any way to restrain trade or commerce or fix prices. Now, however, the attorney for the Government by a shrug of the shoulder or a wink of the eye attempts to make this Court believe that because these subscribers came to discuss business matters under the term "round table," there was something suspicious about these discussions. In other words, simply because the Government's counsel thinks something unlawful might have been done at these "round table" discussions, he asks that it be taken for granted so far as this Court is concerned. As we continue in this brief we shall set forth more and more clearly that the attitude of the Government from the beginning to the present time has been predicated on allegations based on suspicion but not supported by fact. The Government had in its possession *all* of the minutes of the Armstrong Bureau, and they now put before the Court with reference to "round table" discussions two paragraphs which show absolutely nothing that could be construed as part of a plan to do

anything except ask questions of each other which were or were not answered as the party questioned wished. The record will show that each defendant submitted himself to the Government's counsel for cross-examination as to what took place at these meetings, and we submit that the Government's brief itself on the subject of what took place at these meetings is an admission that the "round table" discussions were not part of a plan to fix prices, enhance prices or retard the lowering of prices.

We feel that this Court will not judge this case on innuendoes or suppositious statements made by counsel for the Government. What was done at these meetings is disclosed in the record and is fully set forth in the testimony of Armstrong and Ferry quoted above. If there is anything unlawful set out in the testimony of these two witnesses the Government has failed to mention it in its brief except by way of innuendoes and suppositious statements.

On October 19, 1918, the Bureau sent a letter to the Linseed Oil Crushers calling their attention to the innumerable sudden and seemingly unwarranted price revisions by several subscribers. The communication and replies thereto are quoted by the Government in its brief (pages 39-45).

An examination of Government Exhibit 3 (R. 184) shows that on October 1, Spencer Kellogg

was quoting $1.79 per gallon for oil, and Midland was quoting the same. On October 7, Kellogg dropped to $1.74 and the next day Midland followed. On October 10, Kellogg and Midland dropped to $1.64, and the next day each dropped to $1.59. October 16, Kellogg dropped to $1.53 and the next day Midland dropped to $1.51. On October 18, each was quoting $1.48. It further appears from this exhibit that the quotations of the other subscribers on these particular dates were not at all comparable with the prices quoted by Kellogg and Midland.

It appears from the quoted replies to Armstrong's letter of October 19, that there was considerable difference of opinion as to whether or not these falling prices were justified. Armstrong in his letter stated they were unwarranted and unfair to buyers, and believing this he considered it his duty as head of the Bureau to write each subscriber to get his opinion as to the true situation. In this letter he pointed out that many buyers who had bought at higher prices were penalized and the reply of the American Linseed Oil Company agrees with him on this point. That Armstrong did not write this letter for the purpose, nor did it have the effect of preventing the subscribers from quoting any price they desired, or that the subscribers understood that Armstrong could in

any way compel said subscribers to stop quoting lower prices, is shown from the following excerpts from Armstrong's letter and the replies thereto.

Armstrong's letter in part said (R. 341):

> "The Bureau's service does not presume to direct any of the subscribers in so far as prices which they feel called upon to quote." * * *

The American Linseed Company's reply in part said (R. 344):

> "We believe that prices which have been quoted have not been justified for the reason that the oil on hand at the present time has probably cost more than it is being offered for at the present time. If there was to have been a considerable decline, and I am inclined to think that there should have been some decline, it should only have been put into effect on oil to be delivered during December forward. October and November oil, as pointed out above, has cost more than present market prices." * * *
>
> "It is our opinion that the reduction has much more upset the buyers and made them more dissatisfied than any action which has been taken in a long while, for it must be borne in mind that our customers in turn have contracted for their supply at a higher price, and they are having to reduce their prices because of the manufacture to such an extent as to probably eliminate profits."

Midland's letter in part said (R. 344):

> "We believe that market conditions during the past three weeks have justified a considerable decline in the linseed oil market, but we believe that this decline has at times been unduly rapid." * * *
>
> "We cannot refrain from calling your attention to the record of the last three weeks as shown by your market reports. You will find that during the three weeks just past the linseed oil market has declined 31c per gallon. You will find that this company has done nothing more than meet prices which have been initiated by competitors with the single exception of one decline in the market amounting to 2c per gallon."

Spencer Kellogg's letter in part said (R. 345):

> "Answering your letter of the 19th we do not feel that there is anything hysterical in regard to the conditions of the linseed oil market. There are legitimate reasons for a decline in price to the present value, and we, for our part, have not planned our declines in price to take advantage of any particular order which we might have secured at that instant."

It is apparent from the above that Kellogg and Midland were engaged in a price controversy during this period. It is also fair to assume that if the October and November oil cost more than the prices quoted, competitors of these two companies

were being unduly penalized by reason of this dispute. It was an unfair, uneconomic situation which Armstrong honestly believed should be called to the attention of the subscribers, not for the purpose of bringing about concerted action on the part of these subscribers to stop lowering prices, but to put before them the true situation and then let their own judgment govern each subscriber's future action.

The Government intimates in its brief that Armstrong's letter stopped the decline, for it says on page 45, "that some influence had well stabilized the market by December 1st, as there was no change of quotations during the month, but three in January, one in February and two in March."

The record shows that when Armstrong wrote the letter on October 19, the high for oil was $1.63 and the low $1.48. By January 15, 1919, the high had declined to $1.49 and the low to $1.43 (R184). This table also shows that on other occasions the prices took a sharp decline, as on October 1, 1919, the price in one day declined from $2.10 to $1.84 and on October 6, there was a further decline to $1.70 per gallon (R187). These figures would seem to clearly indicate that Armstrong's letter of October 19, 1918, did not have the effect of preventing the subscribers from lowering their prices whenever they so desired.

That the Bureau, however, did not confine itself to commenting to the subscribers on a falling market is shown by its letter of July 8, 1919, bulletined to each subscriber wherein it requested expressions from the members as to whether or not conditions in the oil market had not reached "a time when selling at cost might represent not only a needed service to the public but a desirable service to the industry as a whole." This letter was issued at a time when an open and nation wide campaign was launched to reduce market prices on all commodities.

The letter is quoted below in full:

MARKET LETTER No. 587.—Flaxseed Crushing Industry—July 8, 1919 (R. 448).

A TIME WHEN SELLING AT COST MIGHT REPRESENT NOT ONLY A NEEDED SERVICE TO THE PUBLIC BUT A DESIRABLE SERVICE TO THE INDUSTRY AS WELL.

"From our observation of the soaring prices for linseed oil, which naturally have followed the 'sky-line flight' of the flaxseed market, the Bureau is disposed to argue for a merchandising policy on linseed oil, at least for a period of time, where the flaxseed cost at its present high level, shall be more or less disregarded, and the selfish interests of the industry, as well as its duty to the buyers of its products, shall be more pertinently considered.

"With the present market price for linseed oil well around the $2.10 per gallon price,

granting that such a market is quite in line with the present abnormal price for flaxseed (probably the highest ever known in both cases), we are confronted with the question as to whether or not the buyers of linseed oil can actually 'afford' this abnormally high market.

"The paint manufacturer cannot always anticipate his requirements for linseed oil, and it is unquestionably true that with the tremendous abnormal demand for paint, which is the result of the nonpurchasing period of this commodity during the war, the paint industry is now crowded to the utmost to fill this demand, and probably even the most long-headed manufacturer did not anticipate this demand in his contracts for linseed oil.

"Paint, like many other commodities, has been forced to an abnormally high-priced market, and further advances on the part of the paint manufacturer to cover this increased cost of linseed oil could hardly be made in justice to his trade. Therefore the linseed oil industry is squarely confronted with the question whether they should not make some personal sacrifices to assist in carrying the burden of the paint men, who represent some of their most substantial customers.

"Again, everyone in the linseed oil industry has recognized the desirability of working toward the elimination of the speculative feature of the flaxseed market from the manufacture and sale of linseed oil, and as it is quite probable that the present abnormally

high market for flaxseed is somewhat due to speculation on the part of the crushers, are we not squarely up against a concrete example of the burden which is placed upon the industry through such speculation, and is it not time that we do everything within our power—making substantial sacrifices, if necessary—to relieve the prevailing prices of linseed oil from the results of this speculation?

"Viewing the situation from an absolutely selfish standpoint, we are confronted with the fact that soya bean oil, which is admitted by some to qualify as a substitute for linseed oil, is selling today at approximately $1.30 per gallon, and the difference between this price and that of the prevailing linseed oil price is a rather substantial argument for the use of the former, and converts made under these conditions may be considered as pretty thoroughly converted.

"As we have set forth in the heading of this market letter, the time is unquestionably at hand when this matter should be worked out by each one taking an unselfish point of view and shaping his action so that he may deliver a service even to the extent of sacrificing profits and the Bureau considers it a duty to you to thus publish our deductions.

"Will you kindly give this question the earnest consideration it deserves, and assist to the desired end by your active participation and support?"

The replies from the various subscribers are quoted below for the further purpose of showing the Court that each had his own particular idea as to why his costs justified the prices he had quoted the trade for oil and also to show that the various subscribers had differing views as to the cause of such high prices:

Archer-Daniels replies as follows (R. 750):

> "We note all you say about the most unusual prices for linseed oil, with the inquiry on your part, as we understand it, if anything can be done to make the situation less of a burden to the consumers of linseed oil.
>
> "This is a subject of great enough importance to crushers generally to call a special meeting of the council members. In our own case nearly all the oil that we can possibly turn out this month and well into August is due to our customers on contract, and the price far below the present cost to produce, but we would be quite willing to show to the consumer that we are ready to run our mills for a reasonable length of time turning out to consumer linseed oil at cost to produce. This could be fairly well arrived at by having crushers agree on a working down figure and, of course, the market prices of seed each day; the price per bushel, should show very nearly the cost to produce and we believe that for sometime the crusher has been selling linseed oil each day for less money than it cost him to

produce from seed purchased that day.

"If one or more crushers are long a lot of seed on which they have enormous profit, they are certainly entitled to great credit if they are quoting and selling this oil for less than it would cost them to replace it from seed purchased at the same time, but it has appeared to us at times that quotations have been sent out for oil at less than cost to produce and that orders would not be accepted for early delivery, at any rate at these quotations. This has caused great dissatisfaction because agents would state that competing crushers were quoting less than our price, and we have been at some loss because an occasional agent has taken the liberty to meet quotations.

"Conditions are certainly very unsatisfactory to the producer and consumer of linseed oil and we are not sure that a meeting of crushers could straighten them out. You are aware, no doubt, that for sometime Argentine seed prices have been higher than ours and we believe the sharp advances in our market have been largely caused by a continued short interest, and even now the farmers with growing crops who made legitimate sales against their expected October seed, are having the life squeezed out of them in calls for margins.

The Mann Bros. Company replied as follows (R. 751):

"1. Replying to your letter of July 8th with reference to the above subject. The lin-

seed oil industry is on an unfortunate basis, due to the excessively high prices, and will be likely to suffer from it later on; but it hardly seems that anyone in particular is to blame. It is simply a peculiar condition arising out of war effects coupled with very short crops of seed. It would be next to impossible for crushers to offer linseed oil at materially lower prices in any quantity. They have not got the oil; and, even at present excessive prices, many buyers are refused.

"2. If anything can be done to lower the prices of seed on the next crop, it would meet, we are very certain, with approval. It would be well for the council at its next meeting to take up the subject. It might be possible to adopt a course that would result in lower prices for seed. Again, we repeat, the situation is most undesirable and unfortunat for the industry.

The American Linseed Oil Company replied as follows (R. 752):

"Unfortunately market letter No. 587 was put in the files without having been seen by the writer.

"We think that you wrote this letter without having any information as to replacement costs and that a glance at the actual facts would have made it unnecessary to have written it.

"On July 8th the cash flax market was $5.76; our price was $2.10 in car lots, Min-

neapolis. Cost of replacement on the basis of market according to our figures was $2.05 a gallon.

"On July 11th cash flax market was $6.18. On this basis cost of replacement was $2.17 per gallon and our price was $2.15, Minneapolis.

"On July 18th cash flax market was $6.01; on this basis replacement was $2.11 per gallon, our price $2.15, Minneapolis. We do not think that we could be criticised on the basis of these figures.

"We also criticise your viewpoint when you say in the fifth paragraph 'that it is quite probable that the present abnormally high market for flaxseed is somewhat due to speculation on the part of the crushers.'

"We can see no evidence that the present high price of flaxseed has been due to any speculation on the part of the crushers. Indications are that this condition has been brought about by speculation outside of legitimate channels.

Midland Linseed Products Company replied as follows (R. 753):

"1. We are in full sympathy with the motives which lead you to discuss the question of prices at this time. We desire to follow a broad merchandising policy and as far as possible lend our assistance to all of the linseed oil consuming trades. We, as well as

other linseed crushers, recognize that the industry owes certain public obligations which should be carried out as far as possible. No doubt the stabilization of prices at this time is such an obligation. With the practical points in your letter we find it difficult to reconcile ourselves.

"2. If the paint manufacturer can not afford to pay present prices for linseed oil, we think anyone familiar with the paint industry will agree that the few cents per gallon maximum profit that the linseed oil crusher receives will be but very little assistance to him. As far as the United States is concerned, the present price of linseed oil is not due to abnormal demand caused by conservation during the war period. On the contrary, the consumption for this crop year is below the normal consumption of pre-war years. The present predicament of the paint manufacturer in the United States is due to his lack of foresight and failure to purchase linseed oil during the period November to March, at which time he was urgently advised to buy by nearly every linseed crusher. As a consequence crushers were obliged to postpone purchasing their import requirements until a famished Europe became a competitor in the foreign linseed markets with the resultant higher prices that exist today. Speculation on the part of American linseed crushers has been no factor in the advance. We believe there has been no speculation on the part of such

crushers except in so far as they were obliged to provide seed requirements in the early part of this crop year against which they were unable to make any linseed oil sales. Such importations have had no adverse effect on the linseed oil consumer, but on the contrary have, to some small extent, operated to retard in linseed oil prices in this country. Admitting that it is very undesirable to encourage the use of substitutes for linsee doil, it mut be evident to everyone that under the existing conditions it is quite impossible for the linseed crusher to take any measures which will have any effect on the use of soya bean oil at $1.30 per gallon as a substitute for linseed oil at the present time.

"3. It appears to us that the linseed crushers, the paint industry, and all other linseed oil consumers are facing an economic tide which it is quite useless to resist. The paint manufacturer may as well learn to base his prices on the cost of the materials he uses. The assistance that the linseed oil crushers are able to give them would be but very little service under conditions existing today. If the linseed oil crushers supply the linseed oil consuming trade in this country they must compete with European buyers in the linseed markets of the world. It seems to us that it is purely a question whether the consumers prefer to have linseed oil at the present high price or prefer to go without."

The Toledo Seed & Oil Company replied as follows (R. 754):

"We have read with a good deal of interest your letter on the above subject.

"It is without question a subject that is not only worrying the manufacturers and consumers of linseed oil, but the manufacturers and consumers of practically every other product.

"There are two sides to the question, that is, the manufacturers' side and the consumer's side. So far as the consumer is concerned he is not interested in the question of whether the manufacturer makes money, loses money, or breaks even, so long as he is able to purchase his linseed oil at what he thinks is a reasonable figure. So far as the manufacturer is concerned, he is anxious certainly to furnish the consumer with his linseed oil at the lowest possible price, which, at the same time, allows him a reasonable margin of profit, but not a loss.

"Now, what is a reasonable price for oil and what is a reasonable profit are relative matters. All commodities are high at the present time. What six months ago would have been considered a high price would today be considered very reasonable. What today is considered a reasonable profit, based on prevailing high costs, would have been considered two years ago excessive. We doubt very much whether the manufacturing of oil today

at actual cost or even at a loss would solve the problem. As a matter of fact, we are facing the inevitable law of supply and demand.

"Now, if the crushers could secure their seed at $1.00 or $2.00 per bushel less than they are paying at the present time, the price of oil would automatically drop with the price of seed, and to a price which all would admit to be reasonable in comparison with other commodities. Reducing the price of seed by any legitimate or legal means, without other commodities which the farmer buys being likewise reduced, would create considerable antagonism on the part of the farmers, discourage the raising of flaxseed, and ultimately result in our having higher linseed prices than we have at the present time.

"However, if it is possible to accomplish anything along the lines suggested it would seem to us a better policy to attempt, at least, to purchase our flaxseed at a reduced price, eliminating as much as possible any unnecessary expense between the producer and the consumer.

"It is possible that if the element of speculation were removed from the flax market the farmer would get just as much for his seed and at the same time it would reach the crusher at a very much less figure.

"This point undoubtedly will be touched upon by others more experienced in that end of the game.

"It certainly is a subject well worth the serious consideration of the council and undoubtedly will be thoroughly discussed at the next meeting."

MARKET LETTERS.

On Page 46 of Government's brief it is alleged that efforts were made to prevent one member from bidding against another and in support of this allegation, the Government quotes excerpts from correspondence bulletined by the Bureau with respect to a sale made by the Ankeney Company's Agent at Kansas City. It will be noted from the correspondence, quoted in full below, that no effort was made in this transaction to prevent any one from bidding against another. The sale had been made before any correspondence was bulletined and all that the Bureau did in this case, was to advise the subscriber that sales ought to be made at the individual subscriber's prices and not at his competitors' offerings as reported to him by the buyer. In other words, what the Bureau was contending for in this particular transaction, and advocated continuously to each subscriber, was the fact that each member should base his prices on what he considered his oil was worth and the competition revealed by the accurate, dependable information from the Bureau and not upon the doubtful information given him by some purchaser.

The correspondence reads as follows (R. 355):

SALE BY ANKENEY LINSEED MFG. CO.

The sale covered by the following letter illustrates so fully that the old Bunkum Buyer methods are still effective with the spineless salesman who is also still in our midst that the Bureau publishes it as a market letter rather than as a special sales report.

"Midland will assist in checking the buyer's statement in this case if he will at once investigate his agent's quotation.

"Let us have our respective agents and salesmen educated as soon as possible to the point where their sales will be made at their prices, not at their competitors' offerings or reported offerings—and we shall then find that we have real salesmen, not ordertakers, and the industry will be better for it."

"Des Moines, Ia., Nov. 9, 1918.

"ARMSTRONG BUREAU OF RELATED INDUSTRIES,

CHICAGO.

"Subject: Sale below our quoted price.

"Gentlemen: We received the following letter from our broker in Kansas City:

" 'I took the liberty of taking an order of five barrels of oil from Evans-Smith at $1.50 from the absolute assurance that they had quotations of one other factor at this price, I believe it was Midland. Hope that this action was O. K.'

"Upon receipt of this letter we wired as follows:

" 'Can not accept five barrel order Evans-Smith at the price. See letter.'

"We now have this letter from the broker:

" 'We have your wire on oil and will be guided accordingly. On Evans-Smith's order, your word came too late as you already have our delivery report on this order. Mr. Price gave me his word of honor that he had a price of $1.50 from a responsible concern and we could not question him as he said to forget it if we did not want his order at this figure we were urging him for the business.'

"This is the sale one cent under our quoted prices for Kansas City. Our broker seems convinced that the Evans-Smith Drug Company actually had the quotation of $1.50 raw basis. See if you can find out who made this quotation on November 5th.

"Yours very truly,

"ANKENEY, LINSEED MFG. CO.,

(Signed) "R. P. BOLTON.

"P. S. Will add to the above that our Kansas City representatives have now been instructed emphatically to stick strictly to our price list, and in the future not accept any such statements from the trade in order to effect sales. H. E. A." (R. 355-356.)

This is another instance where Government's Council shows he either does not understand the functions of the Bureau or is attempting to put a construction upon correspondence and market reports which is not supported by the record.

At a meeting of the Council on January 23, 1919, discussion was had as to whether the respective price lists of the members on file with the Bureau represented delivered prices on carloads only, and the answer to the question was in the affirmative. There was no resolution adopted that this practice should be followed nor was it recommended at the meeting.

On January 31, 1919, the American Company wrote the Bureau advising of the merchandising plan it had placed in effect with its selling stations on l. c. l. shipments whereby its zone prices included freight allowance to destination on direct shipments of full car lots, and in cases of less than car lots its price was f. o. b. cars where they carried stocks. It requested the Bureau to advise it whether other Council members were following the recommendation which was made at the last meeting in this respect (R. 386).

That the American Company was mistaken in stating that a recommendation was made at the meeting of January 23, 1919, with respect to this matter is shown from the minutes themselves offered in evidence by the Government, paragraphs 21, 25 and 26 of the minutes reading as follows:

> "21. As the bureau had been commissioned at the last meeting to obtain figures showing the freight costs on oil per gallon from

Minneapolis as a basis the different distributing centers where oil was carried in warehouses by various council members, Mr. Armstrong, for the Bureau, distributed a sheet of such tabulations as prepared by the Lent Traffic Service of Pittsburgh, the rates listed thereon being given in cents per ton for meal, cents per 100 pounds, and cents per gallon for oil in tank cars, together with cents per gallon for oil in barrels.

* * * * *

"25. In order to secure definite analysis of such price lists the roll was called on the question as to whether or not the various price lists of the council members now on file with the Bureau and covering the present freight zone system could be stated to represent delivered prices on full carloads only until such council members should advise to the contrary through the bureau. The answer to this question was unanimously in the affirmative.

* * * * *

"26. NOTE.—The Council members are advised by the Bureau that while their answer to the above question is to be accepted as a system to their present basis of making their respective quotations, and clearing same through the Bureau, there are no restrictions whatsoever in making any changes that they may see fit to make in such policy excepting, of course, that they shall at once advise the Bureau fully and completely when such changes have been made." (R. 381.)

From the above it is also apparent that the Government was not correct in its statement appearing on page 55 of its brief that "here was first in a meeting a specific recommendation made to the entire membership." Paragraph 26 quoted above clearly emphasizes the fact that there was no uniformity in practice sought and that any member had the right and could at any time make any change he desired.

The replies of the members on this subject are that several did not quote less than carload prices and one member replied that to a considerable extent it was applying its selling prices in the manner described in paragraph 25 of the minutes and that due consideration was being given to the matter to arrive at an end both proper and equitable. (R. 401-03). The statement of this member would certainly imply that so far as his company was concerned they felt they were at liberty to use or disregard any method of merchandising in the various zones.

Suppose, however, as a matter of fact, the subscribers did recommend that each ones price list as cleared through the Bureau on the zone plan of reporting should apply to his carload quotations only and that less than carload quotations and sales were to be made or reported on the basis of such seller's prices f. o. b. mill or points where his or competitive stocks were carried in ware-

houses. Could there be anything suggestive of a restraint of trade in such a recommendation for the accurate clearance and identification of competitive market information so long as no suggestion was made as to what prices should be quoted on either carload sales or less than carload sales?

Oil sold F. O. B. point of delivery or destination bear no relation to an unlawful agreement to enhance, fix, or retard the lowering of prices.

REPORTS TO THE BUREAU

The Government in its brief (pages 49-55), cites excerpts from the record of steps taken by the Bureau to speed up reports of market information from each subscriber. It does not in any way state wherein the effort of the Bureau in this respect was for the purpose, and had the effect of lessening competition or unduly affecting prices, nor is there any statement by the Government that the speeding up of reports of market information did not bring about keen competition.

The insistence of the Bureau upon promptness in reporting is covered by a provision of its service contract which provides

> "Each subscriber hereto recognizes that the efficiency of the Bureau and the value of the information secured, collected and distributed by it and the benefits to be derived therefrom are dependent upon the accuracy, punctuality and completeness of reports and information

received from its subscribers; therefore each subscriber to this contract hereby further agrees for itself and all those whom it shall lawfully control:

"To promptly make, have made, and have sent in and to said Bureau * * * full, accurate, complete, signed and certified reports of said sales, quotations and offerings or other information required by the Bureau, correct replies or answers to any and all inquiries concerning the same or seeking any information in regard thereto." (R. 171.)

Market information to be of any value from a competitive standpoint must contain its full measure of news value, accuracy and completeness. Market information covering the prices at which a product is changing hands in that market to be of any value to a merchant who wishes to move his product promptly must not only be accurate, complete, and dependable, but must carry to such seller news of the *lowest going prices of the moment.*

Defendants' Exhibit No. 2, "32 Years of Linseed Oil Prices," shows that the competitive spread between the spot quotations of the high and low sellers average but a few cents per gallon, with many of these months showing only one cent spread and many months with all quotations even. This shows that linseed oil, like flour and sugar, changes hands in normal times largely on the price argument which need only be a cent or two per gallon

under other competition to get the business.

Storage capacity for both oil and meal is a highly important factor of cost as well as a price making factor which often forces a crusher to move his stocks or assume *holding hazards* which could well jeopardize his entire business. If he is not afforded prompt information as to revisions downward of prices of his competitors, he is likely to find himself with a large quantity of oil on hand and the trade supplied by his competitors. On the other hand, if he receives prompt information of such revisions and he wishes to dispose of his product, he not only will meet the downward revision in price but may go lower. Thus the insistence of the Bureau on promptness in reporting price changes works for keener competition instead of restricting it.

The incident of Archer-Daniels referred to by the Government on page 54 of its brief is a case in point. Archer-Daniels, as testified to by Mr. Mairs, has agents and brokers selling oil, scattered all over the United States. Whenever that company made a change in price they not only quoted the trade, but they advised their selling agents and brokers before advising the Bureau of such change in price. The service contract provided that a subscriber should notify the Bureau at once, and by wire, if such price represented a reduction from his last reported price, after the

quotations had been given to the trade. It is at once seen why the Bureau objected to the Archer-Daniels Company advising its brokers and agents throughout the United States of a changed quotation before it had been sent to the Bureau. This delay in reporting not only by Archer-Daniels but by other subscribers, was sensed by the Bureau before it sent out market letter dated October 1, 1919, "Delay in Reporting Price Changes Through the Bureau." (R. 488-489.)

Such intentional or unintentional evasion of the Bureau's contract provisions for promptness of reporting therefore required some action by the Bureau, and it was taken in such form as to become a clearly understood and accepted additional provision of its service contract with each of the defendant crushers.

The record shows that all market information was properly gathered and cleared and was only the kind of information necessary to the intelligent operation of the business of each defendant company, and was only such information as the defendant crushers had in the past been attempting to gather for themselves at great expense and slowly.

William O. Goodrich testified that he was "under great deal more of a handicap than some of the larger ones, in that I do not have the diversified means of obtaining information as to market con-

ditions and conditions of the trade. I was dependent largely upon such information as I got from the buyers of linseed oil as to what was doing." (R. 93.)

Judge Carpenter in his opinion makes some interesting statements and conclusions bearing on this exchange of market information as it has to do with the competitive prices and sales, and the need that such and other market information shall be at the "instant command" of the merchant, "reliable and adequate," immediately to be secured and more or less permanent in form. Judge Carpenter said: (R. 45.)

> "Business is no longer a game of chance, but a matter of scientific calculation.
>
> "A merchant cannot compete with another merchant unless he knows what he must compete against. A knowledge of what his competitor is charging is the first step in competition. It does not follow because one man knows the price which his competitor is asking, and he then fixes the same price, that his action is by agreement. If his competitor charges a high price, he naturally will ask the same price if he thinks he can get it. It is absurd to imagine that every merchant does not endeavor to keep posted on the prices asked by his competitor. If he fails to keep posted he will find himself losing money. If his prices are too high his customers leave

him. If too low, he fails to reap the profit to which he is entitled. The Government cannot seriously contend that it is the duty of every merchant to guard against his competitor finding out what he is charging. It would be an impossibility. Nor is it wrong for a merchant to endeavor to find out what his rivals are charging. If he cannot get it directly and easily, he will necessarily get it indirectly and at a great expense and slowly."

The Government seeks to show by the testimony of Mr. Mairs of the Archer-Daniels Company and Government Exhibit 17 (R. 675), that that Company was transmitting through the Bureau prices that had not been quoted the trade. Mr. Mairs' testimony with reference to Government Exhibit 17 is as follows:

"I have never to my knowledge sent price information to the Bureau which had not already been quoted to our trade. The statement in the telegram (plaintiff's Exhibit 17) 'From 17th November wired Bureau before writing agents at Bureau's request ten minutes,' means that we wired the Bureau ten minutes before we wired our quoted price to our agents. The reason for that was to get the information to the Bureau quicker. We quoted a price and immediately wired the Bureau before notifying all our agents in the field so that our competitors might be in a position to compete with our price as quickly as our

agents would be. We continued that practice after November 7. During our affiliation with the Armstrong Bureau we never made quotations or reports therein in any other way than as directed by the contract." (R. 102.)

On cross-examination Mr. Mairs testified:

"The third sentence in the telegram (plaintiff's Exhibit 17) means that we quoted a price and then wired the Bureau and after that advised our agents of our quoted price. It does not refer to special sales.

"Carpenter, J. Was there a special request by the Bureau for this particular information?

"A. The Bureau asked us to give them the information before we took the time to give it to all of our agents."

The above shows that Archer-Daniels did not file quotations with the Bureau that had not been given the trade prior thereto, and why the Government in its brief attempts to distort the testimony of this witness can only be explained by the necessities of the Government in its attempts to justify its contentions that the whole service of the Bureau tended toward and resulted in an unlawful combination and conspiracy in restraint of trade or possibly as is evidenced many places elsewhere in this brief through obvious lack of knowledge of general business practices. In this instance the Government's confusion arises from classifying as buyers or consumers the distributive agencies of this seller.

SERVICE OF THE BUREAU.

The Bureau on several occasions attempted to extend its service to linseed oil manufacturers who were not in the Council. These efforts were twofold: First, Armstrong believed, and now believes that the service rendered by the Bureau to the various industries is in the interest of not only the manufacturer, jobber and retailer but the consuming public as well, and that more units of a particular industry obtaining the dependable market information of the Bureau would result in greater elimination of unfair, uneconomic business practices, which in his long experience he had found injurious to American business interests; secondly, the larger the number of subscribers, the greater the financial income to the Bureau with the corresponding result of greater effort on its part to bring about efficiency and fairness in business management that would benefit each particular industry, from the standpoint of the seller, buyer and consumer. Armstrong was not trying to increase membership of the Linseed oil council by the addition of the Fredonia Co. to enable it or the Bureau to more thoroughly bring about a conspiracy or combination to enhance, fix, or retard lowering of prices. This is particularly true in view of the letter received from S. H. Wiley, President of the Fredonia Linseed Oil Works Company, wherein Mr. Wiley stated that "our legisla-

ture is in session in Kansas now, and a newly elected Governor is securing the passage of the most drastic legislation, giving the Attorney General and even local county attorneys exemplary powers in the regulation of commercial enterprises." Armstrong knew, however, that the Bureau's service to the crushers was not for the purpose of conspiring or combining to artificially affect prices or production and was quite willing that the plan of the Bureau should be submitted to the Attorney General of Kansas, and at once took steps to that end.

Market Letter No. 715 on this point, submitted in evidence by the Government, in part reads as follows:

> "Council members have already been advised of previous correspondence between the Bureau and the Fredonia Linseed Oil Company on the question of their subscribing to this service.
>
> "It will be a matter of interest to the council to know that the Bureau has been persistently following this up with Mr. Wiley, their president, to the extent that we have now carried the question before Hon. Richard J. Hopkins, Attorney General of the State of Kansas, the reason for that action being that Mr. Wiley finally took the stand that the laws of his State were designed to prevent any cooperation whatsoever between competitors, or words to that effect.

"Upon receipt of that statement the Bureau secured a complete set of the laws of the State of Kansas bearing on cooperation, and after a careful study of the same, while admitting that they were drastic and far-reaching, we were still pleased to note that they had no bearing on the form of cooperation as directed by the Bureau.

"Following our conclusions we so advised Mr. Wiley; we also wrote Mr. Hopkins, the Attorney General, and without making reference to the particular manufacturer in question we advised that one of the manufacturers in his State was being deprived of very substantial benefits from lawful cooperation which he might obtain through his subscription to this service, and which he was not obtaining by reason of his evident misinterpretation of the laws of the State of Kansas.

"We asked the Attorney General if he would be willing to pass comment on the explanation of our service which we would make to him in person, so that we might then take his statement to the manufacturer in question.

"We received an excellent letter from the Attorney General in reply, expressing his willingness to proceed with the plan as suggested. Upon receipt of this communication we immediately advised Mr. Wiley that we were prepared to go before the Attorney General on the condition that if his comment was favorable we should then expect the immediate

enrollment of the Fredonia Company." (R. 465.)

In a letter dated April 28, 1919, to the Canadian Linseed Mills, Ltd., of Montreal, Canada, the Bureau, after pointing out that an exchange of information could be had between the American companies and the Canadian Companies said,

* * * * * *

"5. We believe that such a service as this Bureau affords, and which we have been affording for upwards of three years, is an absolutely necessary service, because we do not believe that it is possible for any group of manufacturers to maintain an agreed price (even though such agreements were lawful in this country, which they are not) for any length of time, as such agreements can not be carried out under the law of business economics, and disappointment is bound to result." (R. 446.)

* * * * * *

We agree with the Government as stated on page 57 of its brief that "these statements of the Bureau indicate its real purpose, and from experience what it actually accomplished," and the record of the proceedings in the lower Court conclusively indicates, we assert, that the Bureau was at all times sincere in its efforts to bring about honest, economic and intelligent business prac-

tices for the benefit of the manufacturer, distributor and consumer.

The President of the National Paint, Oil and Varnish Association under date of Sept. 2, 1919, sent a letter to the Bureau suggesting that it connect itself with that Association. The Government in its brief (pages 58-60), quotes portions of the letter which we take it the Government considers evidence against the Linseed Oil Crushers. That the Court may know, however, that the entire letter from the Association is not quoted in the Government's brief and that a portion of said letter very aptly fits the service of the Bureau as rendered the Council members, the following excerpt is quoted:

* * * * * *

> "For instance, I do not see that it would do any harm to the Flaxseed Crushers Association to communicate to the N. P. O. & V. Association the ruling prices of linseed oil and oil cake for the month preceding the report, or such information as it has regarding the acreage planted to flaxseed, the condition of the crops in the United States, Canada, Argentina, and India as reported to the public, and any other statistical information of this kind.
>
> "You are very careful in your association never to discuss future prices or to make any agreement or understanding which could be considered as in restraint of trade or prevent-

ing competition. *The very fact that you are reporting this information to the large buyers of your product would give a reason for the existence of your association that would be unobjectionable to the general public. You can not call this a trade secret or information that you would like to keep in your own hands, because every member of your association gladly gives this information to every important buyer who seeks it.*" (Italics ours.) (R. 469.)

* * * * * *

When it is recalled that the members of this National Paint, Oil and Varnish Association consisted very largely of buyers of linseed oil, representing in fact the greater consuming trade of the industry, no comment seems necessary as to whether or not the operations of the linseed oil council through the Armstrong Bureau was a combination or conspiracy in restraint of trade or commerce or was intended, or in fact, did injuriously affect the business of buyers of linseed oil. The reply of the Armstrong Bureau to the Association's letter is in part quoted below:

* * * * * *

"1. In behalf of our clients in the council above referred to, Mr. Cornish, the writer is authorized to advise you that at our last meeting in New York on Thursday, Sept. 18th, the entire correspondence between your asso-

ciation and this bureau was carefully reviewed, and the suggestions which you made covering the matter of furnishing to your association the statistical information requested was given full consideration.

"2. It was pointed out that much of the general statistical information which you suggested should be so reported was not now being gathered by this bureau, as it is, as you know, market information which is officially collected and published by outside sources.

"3. The general suggestion emphasizing the public service result met with the council's full approval, as it is quite in keeping with the efforts of this council in its cooperative work under the direction of the Armstrong Bureau.

"4. The meeting, however, was clearly averse to the intimate alliance with your statistical bureau, as suggested, possibly because of the fact that our group is not altogether in sympathy with the association plan of cooperation, and prefers to maintain and emphasize their present identity as individual subscribers to this cooperative service.

"5. On the other hand, the meeting was quite in sympathy with any amplification of the present exchange of statistical information which would work out to the mutual advantage of both buyer and seller, and to that end the Bureau is commissioned to suggest for the consideration of your association an exchange of statistics.

"6. That is, the linseed crushers would be glad to authorize this bureau to furnish to your group of buyers certain statistical information of interest to them as buyers in exchange for similar statistical information from those buyers which would be of interest to our group as sellers; and you will appreciate, I am sure, that on some such plan as this very great benefits could be worked out. To that end, however, it would probably be a point in question whether or not your association members, under their plan of cooperation, could assure our group of subscribers the same full and accurate market information which we could assure your group of buyers were this exchange of information decided upon." (R. 486.)

* * * * * *

RESIGNATION OF SPENCER KELLOGG COMPANY

The Government in its brief (pages 60-62), refers to the resignation of Spencer Kellogg & Company, and would have the Court believe, contrary to the record, that the reason for such resignation was because the Bureau and its members had artificially increased prices of oil to such an extent that the business had become an attractive field for newcomers. Government exhibits 3 and 4 show that on January 20, 1920, date of Spencer Kellogg Company's resignation, the price of linseed oil was lower than it was when the linseed oil

council first began to operate, and was much lower than it had been for a considerable period of time, not only prior to the formation of the Council, but for some time just prior to the date of the resignation.

The Government states that the principal reason assigned by Spencer Kellogg for resigning was that the Bureau had caused other concerns to enter the industry, which would bring about over-production. We unqualifiedly deny that there is any statement in the record that would justify such an unwarranted assertion by the Government. Below is quoted letter from Spencer Kellogg Company stating its reasons for resigning:

"January 20, 1920.

"Armstrong Bureau of Related Industries,
"Chicago.

"Gentlemen:

"Referring to market letter No. 1156 and 1180, for quite a long time we have been discussing the advisability of continuing in the bureau. The mere fact that the crushers are members of this bureau (of course in a strictly legal way) has the effect of calling the attention of outside capital to the linseed oil business. This is only history repeating itself, and the writer has seen it happen a great many times in his life. It has happened with the linseed oil business and it has also happened with other businesses.

"The war is over, although not strictly speaking, but for all intents and purposes, it is over. This bureau has filled a want that was encouraged by our Government to get together so that they could deal with one unit. This necessity has also passed. So we feel that for the good of all we are taking a proper stand in advising you as per enclosed confirmation of telegram of our withdrawal from the bureau.

"We take this opportunity to thank you for all the courtesies that you have shown us.

"Sincerely and cordially yours,

"SPENCER KELLOGG & SONS, INC.

"Spencer Kellogg, *President.*"

(R. 591.)

The Government makes the further unwarranted statement that "it was manifestly thought that this was brought about by an increase of prices, thus making it an attractive field for one entering business." Who "manifestly" thought this does not appear in the record, but we venture to suggest that it "manifestly" is a "thought" which had its inception only in the mind of Counsel for the Government. Many portions of the record show that with the exception of a short period prices were lower during the operation of the Linseed Oil Council through the Bureau than they were before. Further, Government Exhibit 6 (a chart) shows that for a considerable time lin-

seed oil was being sold by members of the Council, including Spencer Kellogg Company, below the cost of replacement.

Market Letter 1252, offered in evidence by the Government states that Armstrong had a conference with Messrs. Spencer and Howard Kellogg, and that their resignation as explained to him was based on the fear that there would be further expansion in some of the present plants or the building of additional plants by other interests, and that the constructive results accomplished for the industry through the efforts of the Council under the Bureau's service directly contributed to that end. (R. 590.)

Nowhere in the record does it appear that Spencer Kellogg Company feared an over-production, and if the statement of the Government appearing on page 156 of its brief had its foundation in fact, there were no grounds for fearing over-production, for as stated by the Government in referring to production,

> "* * * the production of linseed oil is limited by the quantity of flaxseed on the market an excessive over-production of oil being therefore very improbable." In this respect the industry is unlike that of lumber in which the raw material, for the present at least, is unlimited." (Page 156, Government brief.)

Further, it should be pointed out that Spencer Kellogg Company in its letter above quoted stated that the members of the Bureau acted "in a strictly legal way."

We therefore assert that if the resignation of the Spencer Kellogg Company proves anything it is that the service of the Bureau to the Linseed Oil Council had been clean, upright, and constructive, and it would not have been surprising if there were outsiders who might have been considering the advisability of entering such a clean field. The Government states, however, the reason why others did not enter the field was that there "must have been a tacit understanding among the producers and fear entertained by the outsiders of the close combination of the producers through the Bureau."

This is to say the least, the first intimation that the defendants had in any way conspired to prevent others from entering the industry. All data with reference to the withdrawal of Spencer Kellogg was offered in evidence by the Government, but it never in any way by oral testimony or written data attempted to show that there was ever any attempt made to prevent others from entering the industry or to prevent the subscribers from enlarging their plants, or that there was ever a thought in the minds of Armstrong or the other defendants that such a thing should be done, and the proof of this, we assert, is in the fact that the

Spencer Kellogg Company resigned because they feared enlargement of the present plants of their competitors or the entry in the industry of new factors. If there were any thought of such a tacit understanding as insinuated by the Government it is strange, indeed, that the Spencer Kellogg Company, a dominant factor in the industry, did not seek to increase the restriction instead of resigning.

Shortly after the withdrawal of Spencer Kellogg Company, the Midland Company withdrew from the Linseed Oil Council. Elsewhere in this brief it is shown and supported by the record (Government Exhibit 9) that the Spencer Kellogg Company and the Midland Company were the largest and most dominant factors in the linseed oil industry controlling half the total production. If the Bureau and its members had combined and conspired to artificially fix, retard or prevent the lowering of prices surely the resignation of these two companies would have at once put an end to such combination and conspiracy, because it is undeniably the fact that no combination or conspiracy can succeed when the most dominant factors in an industry are not in it.

It is a matter of record, however, that up to the time the proceeding was commenced by the Government, there was no indication that the remaining members, although small in comparison with

the Spencer Kellogg and Midland Companies, contemplated giving up the services of the Bureau.

The resignation of Spencer Kellogg Company was because the work of the Bureau had "advertised" the linseed oil industry and made it attractive. Now let us assume that before this resignation, the Bureau and its members were in a combination or conspiracy to artificially affect prices; afterwards Spencer Kellogg and the Midland Company get out of the combination and conspiracy. Could it still go on without them? If the members remaining in the Bureau were still working under a combination or conspiracy in restraint of trade and thereby continuing to make the linseed oil industry attractive, and the members would increase their plants or newcomers would be encouraged to come in the field, why did Spencer Kellogg Company state in its letter that the Bureau was operating "in a strictly legal way"? The attempt of the Government to use the resignation of Spencer Kellogg in support of its contention that the defendants had combined and conspired to artificially affect prices is so weak and far afield that it suggests the thought that Counsel for the Government is "catching at a straw." But the resignation of Spencer Kellogg Company cannot even be typified by the term "straw" in support of the contentions of the Government in this case. The word more fitting would be "wind." We assert

that the resignation of Spencer Kellogg, and the reasons given therefor, evidence the fact that there was never any combination or conspiracy between the Bureau or its members and none was ever attempted."

TERMS OF SALE

The Government in its brief contends that the terms of sale of the defendant crushers constituted another factor in the alleged combination and conspiracy to unlawfully restrain trade. On page 62 of its brief it quotes an excerpt from the minutes of the meeting of January 23, 1919, with reference to the terms of sale, but that there was no uniformity in terms prescribed by this recommendation is shown from the following extract from the quotation in the Government's brief:

> * * "All members instituting these recommendations *or any others*, shall advise the Bureau of such action not later than January 27." (R. 379.) (Italics ours.)

At the meeting above referred to the terms recommended were 1% off ten days, or 30 days net, trade acceptance from the date of shipment. The Government on page 64 of its brief states that,

> "Apparently all had adopted the discount recommended."

The following excerpts from correspondence from the members to the Bureau at a time when "trade acceptances" were being universally advocated by bankers and business men show whether or not the statement of the Government is in accord with the record.

"Ankeney Linseed Mfg. Co. (3-11-19):

"We have not as yet put the trade acceptance into practice. Practically all of our sales are confined to the jobbing trade, and whom we are glad to say, discount their bills. Our customers who do not discount their bills are a very small part of our trade indeed, and we see that they pay up promptly in 30 days." (R. 427-428.)

"William O. Goodrich Company (3-11-19):

"We have been practically out of the market since making our terms on linseed oil 1% for cash within ten days of shipment or thirty days' trade acceptance net, but what few sales we have made have gone to customers who take the 1% discount. Consequently, we have really had no experience with trade acceptances, but we are anticipating no objection to them on the part of buyers." (R. 428.)

"Minnesota Linseed Oil Company (3-7-19):

"We have adhered to terms on oil, 30 days or 1% in ten days, but have not adopted trade acceptances." (R. 429.)

"National Lead Company (3-15-19):

"Our company has repeatedly informed

council members that we do not use trade acceptances, and likewise have declared on more than one occasion our purposes not to do so." (R. 429.)

"The Sherwin-Williams Company (3-13-19):

"Inasmuch as we do not make shipments to concerns other than our own factories, we have had no experiences asking for trade acceptances." (R. 429.)

"Midland Linseed Products Co. (8-8-19):

"For several months all of our Linseed Oil contracts have named the terms recommended by the Linseed Crushers' Council, namely 1% discount for cash or a 30-day trade acceptance. These contracts have been accepted by the buyers without question. We have made a systematic effort to enforce these terms.

"As far as we can learn, no serious effort has been made by any other member of the Linseed Crushers' Council to carry out the 30-day trade acceptance terms. We believe the use of the trade acceptance would be beneficial to the industry, but unless there is soon to be a general effort on the part of our competitors to use the trade acceptance, we shall discontinue our efforts in this direction." (R. 457.)

"The Mann Bros. Co. (8-9-19):

"We have not found it necessary as yet to adopt the thirty-day trade acceptance. We still sell linseed oil on the terms thirty days net or less 1% for cash in ten days from date of shipment. We have very few customers

who do not discount the bills, and those few we insist upon payment at the end of the thirty-day period, and so far all has worked well. Should we have any trouble in our collection will be glad to start the thirty-day trade acceptance, but at present writing we do not find it necessary." (R. 457-458.)

Mr. Mann further testified that the terms of sale of his Company had always been thirty days net or 1% off in ten days. (R. 72.)

William O. Goodrich testified that for the last twenty years, at least, the terms of sale had been thirty days and 1% off for cash in ten days, and that while there was some recommendation made with reference to trade acceptances he never tried to use them with any of his customers. (R. 94-95.)

In view of the above we assert that the Government's contention, that members of the Bureau had agreed on uniform terms of sale and were living up to such agreement, is not supported by the record.

CARRYING OIL IN STORAGE FOR CUSTOMERS AFTER PURCHASES

After a thorough discussion at the meeting of the Council on December 3, 1919, it was stated, and nowhere denied in the record, that "a very substantial expense to the seller was involved" in carrying oil for the buyer after the contract period for the taking of such oil had expired; and it was

recommended that the charge for carrying oil after the expiration of the contract period should be one cent per gallon or fraction thereof. The Government in its brief contends that such a recommendation was part of the combination or conspiracy to enhance prices. The record, however, shows that a member of the Bureau reduced his carrying charge to one-half a cent per gallon and under this contract with the Bureau all he did was report the fact.

It is common knowledge that storage charges are not uncommon in many industries and that similar storage charge practices obtain on this industry's raw material—flaxseed—just as is the case on all grain purchased not taken on *contract time* by the buyer. The Government did not try in the lower court to show that the carrying charge recommended was excessive or that anyone complained of such charge. We contend that the recommendation was a fair one, although never uniformly adopted, and had no bearing whatever on any plan to artificially add to the price of linseed oil.

MARKET LETTERS

Many excerpts from, and references to, "market letters" as cleared through the Bureau are set forth in the brief of the Government and are characterized in the usual way by the Government, as

are the minutes of the meetings, also published under the head of "Market Letters." That is, the characterizations are based on unwarranted assumptions, insinuations and suspicions.

On page 70 of its brief the Government begins its discussion of market letters by a subject heading "Inquiries and Exchange of Views Through Market Letters." There is nothing in the record that justifies the unwarranted expression "Exchange of Views Through Market Letters" used by the Government in its brief, and the only reason why the government should use such an expression is for the purpose of creating in the mind of the court the similarity to the practice which was condemned in the Hardwood Lumber case. It will be seen from the record that the market letters referred to by the Government were based on *past transactions*, and were not written for the purpose of obtaining through the Bureau an "exchange of views" which would have the effect of suggesting to the subscribers that prices should be enhanced, fixed or in any way artificially affected. It is indeed inexplicable why the Government of the United States, acting for the people, should attempt to correct what it charges to be an unlawful restraint of trade by innuendoes and statements based on suspicion, but entirely unsupported and contrary to the facts in the possession of its officials.

In the lower court an attempt was made by counsel for the Government to place a construction on certain expressions used by the Bureau and its subscribers, said construction being based not on the record, but on theories and suspicion. The trial judge in his opinion referred to such expressions and said:

> "To my mind some of these expressions are evidence that no such agreement was in fact made, if they are evidence of anything."

The contract between the individual subscriber and the Bureau is before this Court (R. 161). It shows that the individual subscriber agreed with the Bureau to report any change in price *after* the same had been made to the trade. When such information was received by the Bureau it was relayed to the other subscribers. It is not unsual for a manufacturer after he has made a quotation to a prospective buyer and does not receive the order, to feel that he has lost the sale because some competitor has cut below the price he has quoted. It very often happens, however, that the sale was not made at a lower price. It is natural, however, for the disappointed manufacturer to attempt to find out, if he can, why he did not get the order. Hence, many of these inquiries referred to in the Government's brief. From time to time reports would come to these subscribers that such and such

a price was being quoted by such and such a subscriber. The subscribers knew that for many years the industry had been infested with "sharp buyers" who endeavored to cut prices by spreading false reports as to what competitors were quoting. These subscribers also knew that if they wished to get accurate information as to such quotations the Bureau was the place to obtain it. Therefore whenever information came to a subscriber that a certain price had been quoted and he ascertained from the reports received from the Bureau that no such price had been filed by the subscribers, he immediately wrote or wired the Bureau to ascertain whether or not such a price had been quoted and by whom. Very often the Bureau ascertained that no such quotation had been made, thereby establishing the fact that the "sharp buyer" was still on the job. Occasionally the Bureau ascertained that such a quotation had been made but not promptly reported to the Bureau. The record shows in the latter case that all that was ever done by the Bureau or its subscribers was to ascertain why the changed quotation was not reported to the Bureau. There is nothing in the record to warrant the statement by the Government (page 75 of Government's brief) that any one "was given a severe reprimand" for having made a quotation or sale at variance with a price on file with the Bureau. The contract itself specifically provides:

> "(b) Also, to report to the 'Bureau' by prepaid telegraph, and further confirm by mail, duplicate of all quotations made at variance with above price lists, giving better terms to the contemplated purchaser than those quoted." (R. 167.)

This provision of the contract certainly was incorporated therein with the expectation that there would be prices quoted at variance with price lists filed with the Bureau, but the only requisite was that the party quoting the price varying from his last reported quotation should report the same to the Bureau.

The record also shows, however that the Bureau advised each subscriber that he was free at all times to quote any price he wished:

> "Remember also that there are no restrictions, implied, understood or agreed upon, by which you are bound at any time to quote any prices other than those which your judgment prompts you to make. The Bureau's service will keep you advised at all times of the prices quoted on the prevailing market, and it is up to you to undersell or oversell these prices, according to your best judgment, but under the terms of the contract you must keep the Bureau advised of any deviations from your last reported quotation." (R. 335.)

The Bureau did, however, take the position, and the Council recommended, that the quoting of

lower prices to favored buyers was an unfair method of competition and that when a lower price was quoted to a particular buyer such lower price should be made to apply to that particular subscriber's entire trade. The Bureau took this position with respect to lower prices to favored buyers, and the Council endorsed the Bureau's position, because such a practice was considered an unfair method of competition and a price discrimination in violation of Section 2 of the Clayton Act. There certainly cannot be anything unlawful in such a recommendation. However, we contend, and the record plainly establishes the fact, that each subscriber nothwithstanding the attitude of the Bureau and the recommendation of the Council on this point, was free to make quotations at variance with his filed price list, without such action effecting his general quotation to his trade, and as a matter of fact did make such special quotations and sales. The following testimony of William O. Goodrich, one of the defendant crushers, relative to his attitude with respect to such transactions is illustrative of how these defendant crushers changed their prices and policies to suit their own convenience and to meet competition:

> "I was in Philadelphia some time during the winter of 1919 and was talking with Mr. Farr, of the Farr-Bailey Company, manufacturers

of linoleum. They are large consumers of oil. I happened at that time to be rather filled up with oil, and I was rather anxious to dispose of some of it. In my conversation with Mr. Farr I ascertained that he was not interested in the price that I quoted, which was $1.68. I afterwards drew him out to the effect that he would be interested at a somewhat lower price, and I asked him how great a quantity he would buy if he got it at the right price. He told me he thought he might buy 2,000 barrels. I asked him at what price he would buy that amount, and he said, 'Better than $1.60.' I immediately offered him 2,000 barrels at $1.59, and he accepted it. I wired that information to the Bureau, and it relayed it to the rest of the Council members. I made the sale to Mr. Farr at the moment I have spoken of. The price was a reduction of about 9 cents." (R. 94.)

* * * * * *

"I am very glad to say that the incident in Philadelphia to which I have referred is not typical of my relations in selling oil generally. I do not like to think of making as drastic a cut as I did in that particular instance. I am not always obliged to cut the market quite that hard; that is, however, entirely characteristic of my efforts to get business." (R. 94.)

* * * * * *

"I never feel in any way under any obligation to follow the prices of any of my com-

petitors. The fact is that I deviate very often from their prices. Their prices are only a guide to me as to the general condition of the trade. My own price has always been a matter for me to determine, depending on my anxiety to sell and my purchases of seed. I might have been fortunate in buying some seed before the price advanced, so that I was able to make a quite drastic cut without actually losing money, and when there was such circumstances, I did so." (R. 97.)

* * * * * *

"Q. Did anyone ever criticise you for making any kind of a price at any time—that is, any of these crushers or the Bureau?

"A. In the nature of a reprimand, you mean?

"Q. Yes.

"A. No, sir." (R. 97.)

* * * * * *

"The Philadelphia incident was not the only transaction where I undersold my competitors. I needed money, or I would not have made the price, but I did that very frequently. When I had the stock and needed the money, I made the price that would give me the customer, and what anybody's else's price was had no bearing on the question." (R. 99.)

The Government alleges in its brief (p. 78) that these letters were complaints. They were not complaints at all. They were inquiries as to the facts and when the true situation was bulletined by the

Bureau nothing further was said or done with respect to any transactions inquired about. Is there a single letter in the entire record wherein the Bureau or a subscriber stated to another subscriber that such and such a practice had to be discontinued or that such and such a resolution or recommendation had to be carried out? Is there anything in the entire record which indicates that these defendant crushers were obligated to follow the other fellow as to prices, production, terms of sale, or zone differentials? We assert there is not.

These letters constituted inquiries as to purchases and sales of linseed oil reported from outside sources; guarantees against decline; special arrangements with jobbers or purchasers; trade acceptances; allowances for second hand barrels; delayed information forwarded by the Bureau. But nothing is set forth in the Government's brief, nor does the record contain a single written statement from the Bureau to the subscribers or from the subscribers to the Bureau, that the defendant crushers were attempting to enhance, fix, or retard the lowering of prices. And does it not impress this court that throughout the entire proceedings in the lower court and in the Government's brief there is no mention that these market letters were used as part of a plan to artificially affect production? If these defendant crushers were in a plan or conspiracy to artificially affect prices does

it not seem strange that there is not just a little proof in the record that they discussed at the meetings or corresponded through the Bureau relative to the question of limiting production? Our experience is that artificial prices go hand in hand with restricted production. But the Government attempts to show the unlawful purpose of these letters by stating that they "show how persistently a member was pursued for but slight infractions of their regulations," and that they were liable to be called to account for the slightest deviation from the course of conduct mapped out by the Bureau and the Council, "how serious a matter it was for an agent of a subscriber to make a mistake * * * and how a company was liable to be called upon the mat because of such a mistake."

When the Government speaks of "regulations," and "course of conduct" mapped out by the Bureau and the Council, does it mean regulations and course of conduct which artificially enhanced prices, retarded the lowering of prices or fixed prices? We assume that is what the Government means, and we assert that there is not a semblance of evidence in the entire record which supports such a contention. In fact, the letter quoted by the Government on page 100 of its brief relative to the Ankeney Company not acting on its own initiative ought to be convincing that so far as the Bureau was concerned it was not in favor of "reg-

ulations," or "course of conduct" that artificially affected prices quoted by the subscribers. The Government's attitude with respect to the subject matter of this letter is indeed unique. There is nothing in the letter to indicate that it was in furtherance of a conspiracy to fix prices. That the Court, however, may have before it the entire transaction referred to in the Bureau's letter, the complete correspondence or reference thereto is quoted below:

9—6—19.

"From: Ankeney Linseed Mfg. Co., Des Moines, Iowa.

"To: Armstrong Bureau of Related Industries, Chicago.

"Subject: Price of Oil at Kansas City, Mo.

"Will you please bulletin Kellogg & Sons in reference to their price at Kansas City on August 27th, as stated by our Kansas City agents, as follows:

" 'The Swan Mfg. Co. are just in receipt of your invoice of 8-27, your No. 006465, covering 1 bbl. linseed oil delivered under date of 8-27, at which time Swan had a price from Abner Hood Chemical Co. of $2.13 per gallon. We told them that we could take care of them at the same price and our order was reported to you without notation to hold up billing until September. Will you kindly send them a corrected invoice on the basis of $2.13 per gallon?'

"We will hold making corrected invoice to this concern until we have report through you from the Kellogg Company.

"This seems to be similar to the Indianapolis case, where some of the crushers' agents were giving the trade the benefit of their September price a few days before its going into effect.

"Yours very truly,

"(Signed) H. E. ANKENEY,

(R. 475.)

"1. Although the Bureau has duly published your letter above referred to, Mr. Ankeney, the writer cannot help but take very great exception to the weakness of your sales policy as exemplified by that communication.

"2. You will see at once that if we permit our agents to meet our competitors' prices and back that policy with the support of our chief executives, as is evidently true in your proposed plan of procedure, we are just naturally taking the backbone out of our sales force and substituting a rubber composition.

"3. One of the very decided returns from this service is the development of individual thought and action giving to each manufacturer and merchandiser that all important accurate market information which enables him to place his own valuation on his merchandise and his merchandising ability, and that you will admit is ideal business.

"4. If on the other hand any subscriber to this service is using this market information as

an actual means, if not an actual incentive, to do as the other fellow is doing, then we are indeed failing in our purpose with that subscriber of instilling this all important principle, as I have stated.

"5. The great trouble today with American business and labor is that we lack independent thought and action, and we venture this letter, which we will also publish to the Council in the hope that you will fully subscribe to our views and will further support this principle by conveying this independent action idea not only to your Kansas City agent but to all those who represent you who may at once show this same disposition.

(Signed) "JULIAN ARMSTRONG."

(R. 476.)

"Buffalo, N. Y.,

"September 12, 1919.

"Armstrong Bureau of Related Industries,

"Chicago.

"Gentlemen:

"Relative to the inquiry of subscriber No. 2 regarding their Kansas City representative's report of quotations made by the representative of this company to the Swan Manufacturing Company prior to September 1:

It is quite evident that the individual talking for the Swan Mfg. Co. was correct in his claim that they have been quoted a price of $2.13 by the Abner Hood Chemical Company, our representatives, as he, like many other foxy buyers, referred to our quotation covering Sep-

tember delivery, and no doubt felt justified in using this price just so long as he refrained from mentioning the delivery involved in connection with the quotation. We have had a good many of our small customers who received invoices covering shipments and delivery of oil during the last few days of August use this same kind of an argument, but our answer to one and all alike has been that our price was in line with competition as it existed at the time; if the customer wanted oil for shipment or delivery during September, we would have been only too glad to give them the benefit of our September basis.

"The Kansas City representative of subscriber No. 2, being inexperienced in the handling of linseed oil, to say nothing of handling the buyers themselves, is, we think, a little ready to accept the statements of buyers as absolute facts, whereas experience has taught us that a large percentage of these same buyers do not hesitate to make statements that are misleading, yet being careful to refrain from making absolute falsehoods.

"Our records show most conclusively that we did not quote nor sell any oil for delivery from the Kansas City warehouses during the month of August at prices that would not conform to our price list as filed covering that month.

"Yours truly,

"(Signed) SPENCER KELLOGG AND SONS, INC.

(R. 477.)

Nothing could be plainer than that Armstrong was impressing upon the Ankeney Company the fact that each individual crusher should base his prices solely on individual action and not "do as the other fellow is doing." In other words, Armstrong was directly informing the Ankeney Company and the other subscribers that if the service of the Armstrong Bureau was being used to enable one to do as others were doing in the way of quoting prices, and that individual initiative was being eliminated, then the Bureau was "indeed failing" in the purpose for which the service was intended. That Armstrong was sincere in the position he took with reference to this transaction is amply supported by the record in this case and the opinion of the court below.

On page 42 of Government's brief reference is made to a report that a subscriber was offering oil with the price guaranteed against decline; that the Company replied that the report was true and that their agent, at Kansas City, had promptly issued a correction. The Government then states "of course, no member thereafter guaranteed against decline." We challenge this assertion, which is based on mere assumption. There is nothing in the record to show that the particular subscriber or any other subscriber thereafter did not guarantee against decline. It is a matter of

record, however, that these subscribers were free at all times to guarantee against decline or do anything else with respect to their individual business. The Bureau has stated this to the subscribers and evidence to this effect was submitted to the court below.

It is also a matter of record that the Bureau took the position that the practice of guaranteeing against decline was an unfair method of competition and so advised the subscribers. In this respect the Bureau was supported by the attitude of the Federal Trade Commission, which has issued several complaints against concerns, charging that the practice of guaranteeing against decline is an unfair method of competition in violation of Section 5 of the Federal Trade Commission Act. Can it be said that the announced attitude of the Bureau under such circumstances was also part of a plan to unlawfully restrain trade and commerce? Are we now living in an era when business men cannot come together and discuss, and even recommend the elimination of unfair trade practices without being condemned and prosecuted as conspirators to bring about an unlawful restraint of trade and commerce?

If a subscriber was adulterating linseed oil and selling it for pure linseed oil and some other subscriber should write the Bureau about it, and the

Bureau should write the offending subscriber and tell him such a practice was dishonest and an unfair method of competition, would the Government hold in that case that it was also part of an unlawful plan to restrain trade if the offender should write the Bureau that it had discontinued such a practice?

This whole case from the standpoint of the Government is based on suspicion and theory, wholly unsupported by the record.

On March 4, 1919 (R. 418), the American Linseed Oil Company wrote the Bureau requesting it to ascertain whether any subscriber had offered oil on consignment and that in consideration of storing it in their warehouse the purchaser could take it out on the basis of the consignee's carload price, having the oil invoiced to them on the dates they took it, enabling them to purchase the entire lot if they found the price was going to advance, or take it at such carload price as used. The letter was bulletined and replies received which show that the Midland Company had such an arrangement with a purchaser. The Government (page 87 of brief) in referring to this matter said:

> "However, it appeared from the reply of the Midland Company that it was the offending party, and its defense was that the American Company had an arrangement that was equally subject to criticism."

And again on the same page, it is stated

> "This is ånother illustration of how the details of every arrangement made by a subscriber was laid bare to the entire membership and how uniform action in every particular was secured."

The Midland Company did not reply "that it was the offending party" nor is there anything in the record to indicate that the Midland Company felt that its action in this matter was offensive to anyone. Further, it did not in its reply state "that the American Company had an arrangement that was equally subject to criticism." In fact, the Midland Company in its reply specifically stated that "we do not mention this matter as a complaint." There is nothing in the inquiry and replies thereto with respect to this transaction that supports the statement of the Government that "this is another illustration of how the details of every arrangement made by a subscriber was laid bare to the entire membership, and how uniform action in every particular was secured." There is nothing in the record to show that either the Midland Company or the American Company discontinued the arrangements referred to in the correspondence transmitted through the Bureau. The reply of the Midland Company is quoted below:

"Midland Linseed Products Co. (3-7-19.) (R. 430.)

"We have for many months had an agency contract with the Hansen Paint & Glass Co., of Sioux City, Iowa. Without doubt, under this contract, the Hansen Paint & Glass Co. are entitled to receive linseed oil in carload lots and obtain from us our carload price. No doubt the Hansen Paint & Glass Co. would like to persuade the American Linseed Company to deliver linseed oil to them from their Sioux City plant at their carload price, as in this way they would avoid drayage, receiving and storage expenses, and the payment for linseed oil lost by leakage, which they are obliged to stand under their contract with us.

"We do not understand why Subscriber No. 1 should complain because we sell one of our agents linseed oil, this agency being of long standing, under the conditions named. We note that you recently reported that Subscriber No. 1 had made a new agency contract a few days ago with Hibbard, Spencer, Bartlett & Co., of Chicago, one of the largest distributers in the country. Under this contract Subscriber No. 1 delivers linseed oil by team at an expense of 3c. per gallon and gives the Hibbard, Spencer, Bartlett Co. a commission of $1.00 per barrel. This, in fact, is not a commission but a rebate in price, as Hibbard, Spencer, Bartlett & Co. perform no service whatever for this $1.00 per barrel, but derive

their profit from the sale of this linseed oil to the country trade at prices 10c or 15c. per gallon above the warehouse price of Subscriber No. 1.

"It is evident that this agency contract excludes this company from the business of one of the largest distributers in the United States. We do not mention this matter as a complaint, but we hope that Subscriber No. 1 will view our long-established relations with the Hansen Paint & Glass Co. in the same cooperative spirit that we view theirs with Hibbard, Spencer, Bartlett & Co."

The Government is evidently laboring under the misapprehension that the clearance of these letters was for the purpose of checking or preventing subscribers from making sales or quotations except at their last filed price list.

The clearance by the Bureau of such letters was solely for the purpose of ascertaining whether a subscriber had put out a new price list or had made sales or quotations which he had not duly reported to the Bureau as required under the service contract, or whether or not buyers were circulating false reports as to quotations made by other subscribers for the purpose of battering down the quotations made by crushers. In other words, the letters show a sincere manifestation that the Bureau and its clients were equally interested at all times in checking the accuracy, thoroughness

and completeness of market information going through the Bureau.

The major portion of the Linseed Oil business is done through agents and brokers who derive their return not on a percentage of the price they obtain for the oil, but at a rate of so many cents per gallon sold irrespective of the price at which the oil changes hands.

Obviously, the disposition of such agents and brokers is to make the sale with no particular regard for the actual selling price of the oil, and quite frequently they allow themselves to be influenced by the price at which some buyer has told them oil is being sold.

On this basis they are working more in interest of the buyer than of the crusher. Again, assuming a crusher quotes a special price to a favored buyer and fails to report it promptly as required under the service contract. Another subscriber may hear of this transaction through his agents and being unable to check the accuracy of the information through the reports of the Bureau then in hand may inquire of the Bureau whether or not such a quotation or sale has been made, and if so, by whom. When this inquiry is received by the Bureau, it of course bulletins all the subscribers asking first if anyone has made the quotation or sale referred to and if so, why the same was not reported to the Bureau. There is

nothing, however, in any of the defendants' letters or testimony referred to by the Government that indicates that any attempt was made by any one connected with the Bureau or the subscribers to prevent a member charging any price, or changing his price list whenever he wished. We cannot impress this too firmly upon the court for the reason that all through the Government's brief it is continually referring to prices and alleging that they were artificially enhanced, fixed or affected by the Bureau's service with the linseed oil crushers.

LEGAL EXCEPTION FILE

Shortly before the beginning of operations of the Linseed Oil Council through the Bureau, Mr. Armstrong in a letter dated September 20, 1918, advised each subscriber:

"IMPORTANT POINTS OF THE SERVICE TO KEEP UPPERMOST IN YOUR MIND

"I. Never advise the bureau what you intend to do, as the bureau can clear information only on action that has already taken place. To make this point clear do not send to the bureau a statement such as 'We enclose herewith price lists which will become effective next week.' When you file information with the bureau covering any of your quotations to your trade, such information can only be filed

immediately after such action has taken place and the form for reporting such information is," "We hand you herewith prices which we have today quoted our trade."

"2. It is important to give immediate reply to all inquiries from the bureau, for you must bear in mind the fact that the bureau's compilation report must await receipt of a reply from each subscriber; therefore, any delay on your part penalizes everyone. Bearing on the above, do not feel that because you have made no quotation or sale on a particular transaction it is not necessary for you to reply to the bureau's inquiry asking for such information. You must reply to any and all such inquiries, giving information covering your quotation or sale and, if such quotation or sale has not been made by you, then you must so state.

"3. Remember also that there are no restrictions implied, understood, or agreed upon by which you are bound at any time to quote any prices other than those which your judgment prompts you to make. The bureau's service will keep you advised at all times of the prices quoted or the prevailing market, and it is up to you to undersell or oversell these prices according to your best judgment, but under the terms of the contract you must keep the bureau advised of any deviations from your last-reported quotations.

"4. When the service is well under way and you are receiving quotations representing the

prevailing market prices for linseed oil, cake, or meal, do not make the mistake of referring to the market as 'the price, for, although such a reference would be understood in its proper interpretation by the bureau and your fellow subscribers, it nevertheless savors of a uniform or an agreed price, or might be so construed. Therefore the bureau will not handle any communication making such references. You may refer to the prevailing market prices if necessary, but it is much better to confine your reference to 'our prices' and 'their prices' in every instance.

"5. It is well to remember that in requesting special market information as provided on line No. 349, you must in each case supply the bureau with the specific quotation which you have made, irrespective of whether or not it is in accord with your last-filed price list. In other words, you cannot state that you 'have quoted in accordance with' your last-filed price list but must, under the circumstances, give the specific information covering all the details of your quotation, which, however, will be handled as provided in the contract.

"6. Do not hesitate to call on the bureau for specific explanation of any points covering this service, as the fullest possible benefits can only obtain from a thorough and complete knowledge of the provisions and obligations of this contract." (R. 335.)

The Government in its brief, page 118, states that the above was a suggestion from the Bureau. We assert, however, that it was not "a suggestion," but a direct affirmative statement of the Bureau as to what it unqualifiedly required of the subscribers with respect to references to prices quoted by the various subscribers. Despite the positive attitude of the Bureau, however, it received from time to time communications from the subscribers to be bulletined to other subscribers which contained expressions which it was thought might create a false impression of the activities of the Bureau in connection with its service to its members. That the Bureau was correct in such assumption is now forcibly demonstrated by the statements contained in the Government's brief with respect to such communications.

In order that the position of the Bureau should at all times be clearly set forth to its members and in order to protect itself as best it could against such expressions, it took the only course open to it, and that was to return such communications with a letter setting forth the exact functions of the Bureau, calling attention of the subscribers to just what the Bureau considered was entirely outside of the Bureau's activities, with the further statement that the Bureau could not under its contract bulletin communications with such objectionable statements contained therein. The record

shows that the objectionable communications were never bulletined to subscribers for the reason set forth in each instance. Government Exhibit 12 (R. 607-623) contained many of these communications termed "legal exceptions" and the Court is respectfully requested to scrutinize them carefully. That the Court, may, moreover, get some idea as to what these communications contained, and the position of the Bureau with respect thereto, a few are specifically referred to below:

F. K. Quine, Sales Manager of the American Linseed Company, on July 10, 1919, wrote the Bureau in part as follows:

* * * * * *

"We realize that very often report of sales is delayed, and it might often happen that we and other crushers might have to report sales the next day after we had made a change in the price, this due to many stations throughout the country who have to make their reports by telegraph or mail after the receipt of reports from consignment accounts in their territory.

"We think, however, that the Archer-Daniels Company, in reporting the sale of 100,000 gallons of bulk oil on July 8th, sale having been made on July 2d, needs some special explanation, particularly as the sale was made at 2 cents under their published price.

"So far as our records go, their price on July 2d was $1.85 in car lots, cooperage, zone

No. 3; a 5 cent differential between barrels and bulk would make their published price $1.80. We wish you would bulletin them, with a view to explaining why they did not reduce their price throughout the country as per contract, and ask also if we are not entitled to some definite explanation of this way of doing business. Had the sale been reported on July 3d, the next day after having been made, there could have been no particular objection made with respect to the delay. There should, however, have been made some explanation of the price. They do not even speak of its having been a sale at a special price." (R. 608.)

* * * * * *

This letter was returned by the Bureau on July 12, 1919, with a letter which reads in part as follows:

* * * * * *

"3. To go back to your letter: You refer in the first paragraph to a 'change in the price,' whereas you no doubt intended to say 'change in our price.'

"4. Also in the last paragraph you refer to the subscriber in question having failed to reduce his price throughout the country 'as per contract.' While we agree with you that his action was unbusinesslike, in view of his support of the recommendation unanimously passed in this regard, there is no agreement or mention in the contract of such procedure." (R. 609.)

* * * * * *

The Government referring to this particular correspondence in its brief (p. 119) states that "as a matter of fact a positive understanding and agreement had been made between the members of the bureau dividing the country into zones and requiring that the price in each zone be composed of the price in zone 1 plus the differentials." That the subscribers were not required to do any such thing is set forth from an excerpt of the minutes of the meeting of January 23, 1919, which reads as follows:

> "NOTE: The Council members are advised by the bureau that while their answer to the above question is to be accepted as a system of their present basis of making their respective quotations, and clearing same through the Bureau, there are no restrictions whatsoever in making any changes that they may see fit to make in such policy, excepting, of course, that they shall at once advise the Bureau fully and completely when such changes have been made." (R. 381.)

On September 29, 1919, Mr. Quine of the American Linseed Company wrote the Bureau:

> "We have not quoted nor sold Schnaible Drug Company, Lafayette, Indiana, September delivery of oil at the October price. (R. 612.)

This was returned with a statement by the Bureau, that "if you mean your October price please so state." (R. 612.)

On October 3, 1919, the Ankeney Company wrote the Bureau "we very often put in a change of our price without having quoted the trade, but this change in our price is relayed the same as a quotation." This letter was returned by the Bureau on October 12, 1919, with a letter stating:

> "SUBJECT: Your letter of the 3d attached hereto; taking legal exception to your evident misunderstanding of the service contract.
>
> "1. In the final paragraph of your communication above referred to, Mr. Ankeney, it is evident that you have completely overlooked the fact that this Bureau clears only information on past transactions, and therefore it would be unlawful for you to advise the Bureau of any changes in your prices which you have not actually quoted to your trade.
>
> "2. It is not permissible for you to change your price list and so advise the bureau unless that constitutes a bona fide change in your prices, and that means those prices must be actually quoted.
>
> "3. Kindly advise us by return mail that you now thoroughly understand this point, and will be guided accordingly, rewriting the letter attached to conform with the provisions of the service contract and the spirit of the service." (613-14.)

It is apparent from the above reply to the Ankeney Company's letter that the Bureau was ever watchful to see that a subscriber was not violating its service contract with the Bureau and using the machinery of the Bureau in conflict with the terms of the contract. It did not hesitate to inform the Ankeney Company that if it were reporting to the Bureau changes in its prices on oil that did not represent bonafide quotations already made to its trade, the Bureau would not clear such information for the reason that the contract with the Ankeney Company clearly provided that such information could not be cleared by the Bureau until after the manufacturer had advised the trade of such change in his price.

The Government, however, says in its brief on page 121, "that to consider such a distinction as material shows the absurdity of the Bureau's contention." We venture to state, however, that the Government would not have passed this matter by so lightly if the reply from the Armstrong Bureau to the Ankeney Company had stated that such a practice was all right and letter would be bulletined to the other subscribers.

Several letters were forwarded to the Bureau by subscribers stating that "the above sale was made on quotations sent out before the advance," and the Bureau returned such communications

with the statement that if the subscriber was referring to his particular "advance" he should so state. Some of these communications referred to "the price" or "the carload price" or "the published price of oil f. o. b. warehouse." These letters were in every instance returned to the writers by the Bureau for "legal exception" to such expressions, with the statement that if the writers were referring to "their price" the communications should so state. In other words, the Bureau never considered that there was such a thing as "a price" or "a carload price," or a "published price of oil f. o. b. warehouse." While it knew that the subscribers also recognized the fact, the Bureau continued to hammer home to its members the provisions of the service contract and strove to avoid being misunderstood as to its activities, as it is now being misunderstood by the Government in its brief.

It seems inconceivable in view of the entire record in this case that any one, especially the Government, who had the defendants before it in the lower court for intensive cross-examination, could believe or assert, that these "legal exceptions" letters were not written by the Bureau with the honesty of purpose set forth therein.

An examination of the record and these letters will show that they ranged over the entire period

of the operations of the Linseed Oil Council, and in every instance the Bureau was quick to correct the subscribers as to the sincere meaning and purpose of the service contract.

Is it not strange that out of the whole mass of correspondence taken from the Bureau's files and offered in evidence by the Government there is not a single line indicating that these "legal exception" letters were a sham or that the subscribers were unconsciously stating the truth that there was such a thing understood among them as "the price"? Is it not enough to say there is no foundation for the statements of the Government in its brief "that these subscribers really understood that they were by common agreement maintaining prices and observing practices" when we quote below the statement of the Judge in the lower Court:

> "Now, there certainly can be no real point in this case with reference to this acting in the future or in the past, because so far as the contract of the parties is concerned it had to do with the past alone, and that has not been disputed. Everything that has to do with the future is a matter of possibility, and that you are now attempting to reach by way of deduction from the evidence; but we have no evidence that these men agreed to do something in the future." (P. 871, Record Lower Court.)

to which Counsel for the Government replied:

> Mr. Mitchell: "Oh, yes, your Honor. We have no evidence that they agreed to adhere to uniform prices in the future. I make no suggestions of that kind, but the fact is that they entered into a contract—take the contract itself." (Ibid.)

* * * * * *

As further establishing the fact that there never was such a thing as "the price" (meaning agreed price) understood by the Bureau or the subscribers is shown from the prices quoted by the crushers, particularly on the date referred to in several of the communications mentioned in the Government brief. For instance on May 17, 1919, mentioned in Government's brief at page 118, four crushers were quoting $1.56 per gallon and eight were quoting $1.54 per gallon; on July 8, 1919, referred to in Government's brief at page 119, nine were quoting $2.10 per gallon, one was quoting $2.03, two were quoting $2.00 and one was quoting $1.93.

As further showing that there was no inflexible rule or agrement as to differentials, the following correspondence between the American Linseed Oil Company and the Bureau is quoted below:

"American Linseed Company
"New York, January 15th, 1920.
"Armstrong Bureau of Related Industries,
"11 So. La Salle Street, Chicago, Ill.
"Dear Sir:

"On May 7th, 1919, we asked you to advise subscribers that we were maintaining a differential of 3 cents per gallon in zone No. 3 for oil in quantities of less than 5 barrel lots over our warehouse price; in other words, our warehouse price has been 3 cents over our carload price and this filing represented a price of 3 cents a gallon of lots less than 5 barrels.

"We find that the only subscriber, according to our records who also filed a similar price, was the National Lead Company, and we now want to notify the subscribers that we have rescinded this particular action.

"Yours very truly,
(Signed) F. K. QUINE,
"Manager Oil Sales Dept."

"American Linseed Company, Mr. F. K. Quine,
"C. Rosenfels,
"Your letter of January 15th.

"1. We are going to ask you to be a little more explicit in your letter withdrawing your differential of 3 cents per gallon in zone 3 because, while it may be inferred that you are reinstating your former differential of 2 cents over your warehouse price, you do not so state in your letter, and in matters of this kind it is important, of course, to have an absolutely clear understanding.

"2. We would also suggest that you omit your reference to the action of other subscribers in this matter, stating merely that you have rescinded your action and giving your differential as it stands at the present time."

C. R.: E.

"American Linseed Company,
"New York, January 22, 1920.

"Armstrong Bureau of Related Industries,
"11 S. La Salle Street, Chicago, Illinois.

"Dear Sirs:

"We have withdrawn our filed differential of 3 cents over the warehouse price on linseed oil in lots of from 1 to 4 barrels at New York. This does not mean that we are reinstating our former diffential of 2 cents.

"We think it fair and right to say that we are withdrawing our differential as a matter of record only, as we have determined that if it was considered by us proper to do so in this market it would also be proper for us to file our price on one to four barrel lots at all other distributing points.

"Yours very truly,

(Signed) F. K. QUINE,

"Manager, Oil Sales Dept."

"January 24, 1920.

"From: Julian Armstrong, Armstrong Bureau of Related Industries,

"To: Mr. F. K. Quine, American Linseed Company, Woolworth Bldg., New York City.

"SUBJECT: The letter attached—a legal exception.

"1. In commenting on your letter above referred to, Mr. Quine, I do not wish to be rude and rough, nor vulgar, but just what did you mean to tell us you have done?

"2. Sometimes I think you folks who live above the twenty-fifth floor get too much ozone in your system and you try to take us 'earthy' folks up in the air with you.

"3. This is to advise we 'ain't' with you. Rewrite please.

JA:Q (Record 621-622-623.)

SPOT QUOTATIONS

The Government in its brief devotes much of its effort toward impressing the Court with the importance of uniformity in prices quoted at intervals by the crushers and seeks to show by such quotations that an unlawful combination or conspiracy resulted.

But what do these figures really prove? They prove that at certain periods market prices of linseed oil for spot or immediate delivery remained stationary for some time, and then moved; that sometimes all the crushers were selling at the same price, and sometimes they were not. That is all. There is no evidence in the record that the behavior of linseed oil prices was in any essential respect different, during the period covered by

these exhibits, from what it was before the Armstrong Bureau became a factor in the linseed oil industry.

The Linseed Oil Council was in operation from October 1, 1918, to June 30, 1920, a period of one year and nine months. During this time there were infrequent periods of uniformity in price. However, an examination of defendants' exhibit "2" (R. 681) shows that periods of uniformity in price have been common in the linseed oil industry for thirty-two years. Unfortunately no evidence has been presented in this case because none is available, showing linseed oil price fluctuations before October, 1918, in any such detail as do exhibits referred to for the period October 1, 1918, to June 30, 1920. It is therefore difficult to compare the behavior of linseed oil prices before and during the period of the Armstrong Bureau's activities. However, some such comparisons are possible by the use of Defendant's Exhibit No. 2 (R. 681) showing low and high monthly competitive prices for oil over a period of 32 years. This exhibit shows that in every year from 1889 to the end of 1914 with the exception of 1906 and 1910, there were monthly periods of uniformity in price or monthly periods in which there was only a spread of one cent per gallon in linseed oil, clearly demonstrating, we assert, that periods of uniformity or approximate uniformity in price were not uncom-

mon for many years prior to the organization and operation of the Linseed Oil Council through the Armstrong Bureau.

The Government, however, points an accusing finger at each of the uniform periods from October, 1918, to June 30, 1920, the longest of which lasted two months and three days. As revealed by Defendant's Exhibit No. 2, during the 29 years, 1889 to 1917 inclusive, periods of constant prices occurred as follows:

27 periods of at least 1 month's duration.
12 periods of at least 2 months' duration.
3 periods of at least 3 months' duration.
1 period of at least 4 months' duration.
1 period of at least 5 months' duration.

According to the same record, in the 27.75 years, beginning with January 1, 1889, and ending with September 30, 1918, there were 135 calendar months during which the price of oil did not vary more than one cent per gallon, while in the 1.75 years from October 1, 1918, to June 30, 1920, inclusive, there were 7 such months. From this it follows that within the period of the Armstrong Bureau's operation there was an average of 4 months per year during which oil prices varied not more than one cent, while in the previous 27 years there were on an average 4.86 such months. Evidently if periods of nearly stationary prices are

an evidence of iniquity, the Government's finger of scorn is pointing the wrong way.

Government's Exhibit 3 (R. 184) not only shows the periods of uniformity, but also shows the frequently occurring periods in which there was a constant spread in competitive prices quoted by the crushers at the same time as is shown by the following:

> "October 1, 1918, to January 16, 1919, a spread in price of from 4 to 27 cents per gallon.
>
> "March 5, 1919, a spread of 5 cents per gallon.
>
> "April 9, 1919, a spread of 3 cents per gallon.
>
> "April 23 to April 26, a spread of 5 cents per gallon.
>
> "April 30 to June 24, 1919, a spread in price of from 2 to 19 cents per gallon.
>
> "June 28 to July 14, 1919, a spread in price of from 7 to 17 cents per gallon.
>
> "July 24 to July 31, 1919, a spread in price of 5 cents per gallon.
>
> "August 28 to September 30, 1919, a spread in price from 1 cent to 11 cents per gallon.
>
> "October 6 to 16, 1919, a spread in price of from 10 to 14 cents per gallon.
>
> "November 22 to November 26, 1919, a spread in price of five cents per gallon.
>
> "December 1 to December 10, 1919, a spread in price of 10 cents per gallon.

"March 2, 1920, to March 10, 1920, a spread in price of from 2 to 7 cents per gallon.

"March 18, 1920, a spread of 5 cents per gallon.

"March 26 to April 2, a spread in price of 10 cents per gallon.

"April 16 to June 28, 1920, a spread in price of from 3 to 14 cents per gallon."

The Court's attention is directed to the fact as shown by Government Exhibit 3 that in the three exceptional instances covering uniform prices, the first period, February 17 to March 4, 1919, the uniformity in price occurred after a drop from $1.48 per gallon to $1.43 per gallon, and in October, 1919, from $1.80 per gallon to $1.70 per gallon, and in the latter part of December, 1919, and January and February, 1920, uniformity in price occurred after a drop from $1.85 to $1.75 per gallon.

This is called to the Court's attention because it is fair to assume that if the subscribers had entered into a conspiracy or combination to enhance or fix prices they would not have brought about a uniformity at lower prices than had been quoted and received for linseed oil just prior to such periods. An examination of the prices quoted by the crushers just prior to these periods of uniformity will disclose that several of the crushers had begun to quote a price of from five to ten cents per

gallon below the prices quoted by the other subscribers, and it is only fair reasoning to assume that the others were put in the position of having to meet the reduced prices or face the alternative of having oil to sell and be unable to make sales for the reason that buyers would not pay their higher prices when the trade was being quoted a lower price. The uniformity in prices therefore, we assert, obviously resulted from competition and not from combination.

Defendants' Exhibit 2 ("32 Years of Linseed Oil Prices"), (R. 681) shows that on or about July, 1916, the price of linseed oil was about 62 cents per gallon; that from that time on until the operations of the Linseed Oil Council, beginning October 1, 1918, the price had steadily advanced to or about $1.92 per gallon, an increase in price of approximately 209%; that thereafter, with the exception of the high prices of oil in the months of July, August, and September, 1920, which rise in price was due solely to the exceptional rise in the price of flaxseed (as admitted by Counsel for the Government in his argument in the lower Court), the prices quoted by the defendant crushers never were in excess of $1.92 per gallon, ranging from $1.53 per gallon the latter part of December, 1918, to $1.43 per gallon January 16, 1919; $1.48 to $2.25 per gallon from January 17 to July 19, 1919; and then declined to approxi-

mately $1.58 per gallon in June, 1920. These declining prices occurring at a time when the prices of practically all commodities were steadily advancing, ought to be convincing to this Court that the defendant crushers had not entered into any combination for the *purpose*, nor to *effect* an enhancement, or to fix or retard the lowering of prices of linseed oil by any artificial means, but that they at all times, individually, and without any obligation to one another, quoted such prices for linseed oil as in their best judgment the market conditions warranted.

We would further call the attention of this Court to the fact that the entire record does not disclose a single instance where false or misleading quotations were sent to the Bureau or distributed by it among the defendant crushers or the trade to in any way artificially affect prices; that there were never any communications either from or to the Bureau intimating that decreased production of flaxseed or high prices therefor should bring about increased prices for linseed oil; the record does not disclose a single instance where there was any discussion that decreased production would be of benefit to the crushers, but the record does show that manufacturers were at all times seeking full information as to the condition of the flxseed crop in America and when it became known that the crop was a failure in 1919, they immediately began buying and

shipping flaxseed to this country from Argentine at prices never before paid in the history of the industry.

Further, the testimony of the witnesses called by the Government and the defendants is clear on the point that the rise and fall in the prices of linseed oil during the operations of the Armstrong Bureau were to a very large extent regulated by the price of flaxseed.

The files of the Bureau and of at least one crusher were honeycombed by agents of the Government and responsible executive representatives of every crusher defendant were cross-examined by counsel of the Government in the lower court. There is no evidence in the record, oral or written, that when the prices of lineed oil took a sudden jump or a sudden drop there had been prior thereto a meeting of the Council nor that any correspondence relative to the bringing about of such a rise or fall had been bulletined through the Bureau. If these uniform periods or sudden jumps or sudden drops in prices were brought about by concerted action on the part of the Bureau and the subscribers where is the proof in the record to show it? Judge Carpenter at the very beginning of the case in the lower court told counsel for the Government that "uniformity is unimportant in this case. It is concerted action that we are interested in." (Page 36 of record in lower court.)

And at the close of the argument Counsel Mitchell, for the Government, admitted (page 871 of record in lower court) "we have no evidence that they agreed to uniform prices in the future, we make no suggestion of that kind," and he was speaking the truth as the record now before this Court clearly shows. Mr. Mitchell personally spent two weeks in the Bureau's office looking for just such evidence.

The Government calls the court's special attention to what occurred on October 1, 1919, namely that every member's spot quotation dropped either 25 or 26 cents to a uniform figure of $1.84, which remained in effect until November 22. However, the Government does not call special attention to the fact that it was only spot quotations which showed this "suspicious" uniformity. On October 2nd, the day after this drop, the spread between the high and low of members' quotations, although it was zero for immediate delivery, was nine cents for November delivery, 17 cents for December delivery and from 11 to 17 cents for delivery in all subsequent months to June, 1920. During the week in which October 1st occurred, members sold for spot delivery 50,112 gallons, and for future delivery 596,400 gallons, so that the Government's excitement, in this instance, is stirred by prices affecting only about one-thirteenth of the sales.

An examination of Government's Exhibit No. 6 ("Comparison of Flaxseed Market Prices, Linseed Oil Market Prices and Linseed Oil Replacement Costs") * will show why there was the sudden drop of 26c. per gallon in the price of linseed oil on October 1, 1919, and a further drop of ten cents per gallon on January 1, 1920. The chart shows that these sudden drops were caused by flaxseed taking a rapid decline on or about these dates, and we assert that this chart is the answer, and the only answer, to the statement of the Government appearing on page 127 of its brief that "it was a most remarkable economic phenomenon if there was no understanding between the producers." It is apparent to any one that with the flaxseed market falling as it did in these two instances no "understanding" as to a revision downward of linseed oil prices was necessary. No other course was open to the crushers regardless of their desires in view of the fact as testified to by the several buyers called by the Government that they watched the flaxseed market and their commitments were largely based thereon. We respectfully request this court to examine this chart (Government Exhibit 6), to see for itself how closely the prices

*This is not in the printed record but is in the final record and photostat copies are submitted herewith.

quoted by the crushers followed the rise and fall of the flaxseed market.

The top line of the chart indicates the rise and fall of the flaxseed market. It is at once seen what a feverish market it is. The next line indicates the average of the prices quoted by the crushers. The last line indicates the cost of replacing linseed oil. It will be seen from this last line that very often during the period from June, 1919, to January, 1920, the cost of replacement was greater than prices quoted by the various crushers. We assert that this strongly indicates that there was no combination or conspiracy to artificially affect prices to the trade.

Furthermore, Government Exhibit 6 (Chart, photostat copy submitted herewith) indicates why there was a sudden drop of 26c. per gallon in the price of linseed oil on or about October 1, 1919. During the month of July, 1919, the price of flaxseed was approximately $6.20 per bushel. On or about October 1, 1919, it had dropped to approximately $3.80 per bushel. In fact, from about September 8 to October 2, there was a decline in the price of flaxseed from approximately $5.40 to $3.80 a bushel. Thereafter the price of flaxseed rose until it finally went over $5.00 a bushel.

In referring to the drop of ten cents on January 1, 1920, which continued until March 4, the Government at page 127 of its brief states:

> "At that time the Bureau was under investtigation; and because of that fact or for some other reason quotations were much more varied than at any other time except probably when prices were moving up towards peak of August."

This statement, to say the least, is unique. "Quotations were much more varied" for this or that reason, says the Government, and if true, what is the significance? Government Exhibit 3, however, shows that these quotations did not vary any more than quotations for other periods, and so far as the "investigation" affecting quotations, Government Exhibit 3 shows that after March 4, quotations began to rise from $1.75 per gallon on that date to as high as $1.87 on March 18, and did not again reach the price of $1.75 until some time in the latter part of April. This rise, however, is not well explained by an indefinite statement such as "for one reason or another;" quotations were getting higher and higher, but is explained by Government Exhibit 6 (Chart), which shows that on or about March 4, 1920, flaxseed was selling around $5.00 per bushel and thereafter advanced sharply to approximately $5.35 per bushel. Thereafter it will be seen from the chart the price of flaxseed declined, and consequently the price of linseed oil declined as shown by Government Exhibit No. 3.

STATIONARY PERIODS IN SPOT QUOTATIONS

Government Exhibit 7 (a photostat copy submitted herewith) is a chart entitled "Linseed Oil Industry Inactive Market Periods, Oct. 1, 1918, to June 30, 1920." This chart covers what are known in the trade as "Inactive Periods" but referred to in Government's brief as "Uniform Periods." On the lower right hand side of this chart appear the initials "J. F. T.," which are the initials of James F. Terry, Special Agent of the Bureau of Investigation of the Department of Justice, who testified that he went to the offices of the Armstrong Bureau for the purpose of making an examination of their records, that he was given access to their records and checked up certain tables which had been prepared; that he verified the accuracy of these tables by their records. (R. 50.) There can be no question therefore as to the accuracy of the data set forth in Government's Exhibit 7. It should be borne in mind, however, that this analysis covers only "spot" oil—approximately 20% of the total transactions in linseed oil.

The first inactive or uniform period appearing on said table was from February 17 to March 4, inclusive, and shows 75% of the sellers active in the market. The market price quoted was $1.43. There appear two broad lines on said chart for each inactive period, the top line in each instance representing the total sales of spot oil for that par-

ticular period and the lower broad line representing the normal sales for such period. In the first inactive period now under discussion the top broad line shows that less than one-half of normal business for the period mentioned was transacted.

The next inactive period, March 6 to April 8th, inclusive, shows 66 2-3% of the sellers active in the market at a price of $1.48. The first broad line below shows less than one-quarter of average normal business was transacted during this period.

The next inactive or uniform period was April 10 to 22, inclusive, and shows but 50% of the sellers active in the market at a price of $1.51. The first broad line shows that the amount of business transacted during this period as compared to the normal business was negligible.

The next inactive or uniform period was April 28 to April 29, inclusive, at a price of $1.56, and shows that no sales were made during that period.

The next inactive or uniform period was June 26 to June 27, and shows 15.3% sellers active in the market at a price of $1.86, and the first broad line below shows that the amount of sales were insignificant.

The next inactive or uniform period was July 15 to July 23, inclusive, and shows 33¼% of sellers active in the market at a price of $2.15. The first broad line below shows that less than one-tenth of the normal business was transacted.

The next inactive or uniform period was August 1 to August 27th, inclusive, and shows only 61.5% sellers active in the market at a price of $2.20. The first line below shows a negligible quantity of oil was sold as compared with the normal sales for this period.

The next inactive or uniform period is October 1 to October 5, inclusive, and shows 38.5% sellers active in the market at a price of $1.84. The first line below shows that the sales during this period were negligible.

The next inactive or uniform period was October 17 to November 21, inclusive, and shows 69.2% sellers active in the market at a price of $1.70. The first line below shows that only approximately one-sixth of the normal business was transacted during this period.

The next inactive or uniform period was November 28 to November 30, inclusive, and shows that 23% sellers were active in the market at price of $1.75. The first line below shows that the actual oil sold was negligible.

The next inactive or uniform period was December 11 to 31st, inclusive, and shows 23% sellers active in the market at a price of $1.85. The first line below shows that a negligible quantity of oil was sold during this period.

The next inactive or uniform period was January 1 to March 3, 1920, and shows 69.2% sellers

active in the market at a price of $1.75. The first line below shows that a very insignificant amount of oil was sold during this period.

The next inactive or uniform period was March 7 to March 15th, inclusive, and shows 16 2-3% of sellers active in the market at a price of $1.82. The first line below shows that a comparatively small amount of oil was sold during this period.

The next inactive or uniform period was March 25th at a price of $1.82, and shows that no sales were made on that date.

The next inactive or uniform period was April 6 to 15th, 1920, and shows 18% sellers active in the market at a price of $1.82. The first line below shows that very little oil was sold.

Government Exhibit 3 (R. 184) shows that in many cases the inactive or uniform periods came after a decline in price. For instance, the inactive or uniform period of February 17 to March 4, inclusive, came after a decline in price. The inactive or uniform period of October 1 to October 5, inclusive, came after a decline in price, the inactive or uniform period of October 7 to November 21, came after a decline in price, and the inactive or uniform period of January 1 to March 3, came after a decline in price.

In view of these facts and the further fact that Government Exhibit No. 7 shows on its face that the sales of oil during these inactive or uniform

periods were greatly below the normal amount of sales for such periods, it is fair to assume that the defendant crushers had not "cashed in" by reason of any combination or conspiracy to bring about uniform prices. When this chart showing inactive or uniform periods is compared with defendants' Exhibit 2 (R. 681) it will be at once apparent to this Court that such inactive periods were not uncommon to the linseed oil industry over a period of thirty years. Further, the record does not disclose a single statement, oral or written, that tends to show that the Bureau or its members by any concert of action, direct or implied, brought about or encouraged, or even suggested uniformity in the price during the periods set forth in the chart marked Government's Exhibit No. 7. It would indeed be a strange phenomenon if individuals could bring about by concert of action, direct or implied, such periods of uniformity in price without there being a single line written by some one with respect thereto or a single discussion in connection therewith; the record shows that Mr. Terry, the investigator for the Government, made a thorough examination of the statistical data prepared by the Bureau and submitted by the Government in evidence in this case, and it is also a matter of common knowledge that Henry S. Mitchell, Counsel for the Government in the proceedings in the lower court, spent considerable

time in the Bureau examining all of its files and data. There is not a single fact in the entire record which in any way suggests that the Bureau or its subscribers in the Linseed Oil Council brought about the inactive or uniform periods referred to in this case. We contend that such periods have been occurring in the industry for the past thirty years and are caused by the fact that oil is not moving to the trade at those times as in normal periods of demand. In fact, the chart itself shows that never during these inactive periods were there 100% of the sellers in the market. Surely the members would not conspire to bring about a fixation of prices if they did not feel that they were going to participate in the results to be obtained therefrom.

FUTURES

It is a curious fact that the Government's discussion of prices is in most parts of the brief confined to spot quotations, which represent on the average only one-fifth of the total business, and at certain times of the year very much less than one-fifth. It is true that in the section under discussion several pages (beginning on page 128) purport to be devoted to a consideration of future quotations. However, even here the Government limits itself in a most extraordinary manner, as shown in the two following excerpts: "Quotations in any one month for delivery in future

months were usually the same or very nearly so upon the same dates, except during the immediately preceding months." "We will, therefore, call attention only to the quotations during the immediately preceding month, and the latter part of the month previous thereto, as to go further back would be but a repetition."

Now the fact is that the great bulk of future sales are made for delivery period four to six months ahead, so that when the Government attempts a discussion of futures by the proceeding it has adopted it voluntarily cuts itself off from any consideration of prices affecting the majority of important transactions, in fact it is doubtful if it reaches more than one-fifth of the business in "future oil." In this section of the brief are eight italicised portions, each of them evidently so emphasized for the purpose of calling attention to the uniformity which the Government regards as so obnoxious. Each of them relates to "future" quotations for a time so near at hand that they are virtually spot quotations. Only very small quantities of oil were sold under them.

Government Exhibit 4 (R. 210) deals with quotations on oil for future delivery. What has been said in this brief with respect to how spot quotations are made applies likewise to future quotations, that is to say, future quotations by the subscribers are based solely on the individual's free-

dom of action in quoting for future delivery such prices as he thinks advisable under the circumstances. The Government in its brief, however, is continuously dealing in generalities and statements which if qualified by the facts as presented in the record would show an entirely different situation. For instance, on page 129 of the Government's brief, the statement is made "that all quotations submitted for first seven days of October were $1.71." The record, however, shows that only six members reported quotations on October 1, 2, 3, 7 at $1.71 for November delivery, one reported on October 2 a price of $1.68 for December delivery; three reported the same on October 2nd; four reported the same on October 3 and 4 and one reported a price of $1.67 on October 4, and five reported a price of $1.68 on October 7, all for December delivery. Throughout its brief the Government is continuously digressing from the record and making statements not supported by facts. On page 129 of its brief the Government in referring to uniformity in price beginning November 26, states that "By this means the system had begun to properly function," meaning that the Armstrong system was intended to and did bring about uniform prices. In the very next paragraph, however, on page 130 of its brief, the Government states that two members changed their price from $1.53 to $1.48 on January 14, and on January 15,

ten members dropped to $1.43; five reducing first to $1.48 and at a later hour, to $1.43. There is no statement in the Government's brief, however, in this connection that "the system" was not properly functioning at this time, nor is there a statement anywhere in its brief that the alleged conspiracy or combination in restraint of trade was not properly functioning when varying prices are referred to. If the Bureau and its members by concert of action brought about uniform prices, who, if any one, was responsible for the varying prices? The Bureau and its members conspired and combined to bring about uniform prices, states the Government, both in spot and future quotations, but what brought about the varying prices, particularly the declines? Is it not reasonable to expect something tangible to be offered by the Government as to how uniform prices were arrived at, and what caused the breaking down of the "proper functioning" of the Bureau during the periods of varying prices?

On page 136 of its brief the Government states that "this table (meaning Government Exhibit 4) shows greater variations and a more rapid movement on a rising than on a falling market, as a member is not subject to criticism for advancing his price; and he is anxious to keep up with or surpass the leader." This statement of the Government undeniably asserts that subscribers of the

Bureau were criticised for revision in prices. We vigorously challenge such a statement and assert that it is untrue and unwarranted by the record and that Government Exhibits 3 and 4 unqualifiedly show that sellers' prices declined many, many times and there is not a semblance of testimony anywhere in the record that any subscriber was criticised for either raising or reducing his prices whenever he so desired. The record clearly shows that a subscriber was free at all times to change his prices either up or down and the only requirement of the Bureau was that *after such changes had been quoted to the trade* such price revisions should be immediately forwarded to the Bureau.

Ordinarily, when a number of individuals get together and agree to fix prices and some break the agreement, one or more of those in the agreement have something to say about the fellow who broke faith. So far as we can ascertain from the record there is no proof of any agreement to fix prices, and if prices were uniform, or fixed, there is no proof in the record that any one was ever taken to task or criticised for failing to keep his prices as fixed. Nor is there any evidence in the record, so far as we can ascertain, that a suggestion or direction as to raising or lowering prices was ever made by the Bureau or its members to each other. On the contrary, we assert, that the charge of price

fixing, or price regulation, against the defendants is based solely on suspicion and the Government is endeavoring in its brief to bring about a reversal of Judge Carpenter's opinion, not on the record in this case but on theories, innuendoes and allegations based upon unwarranted assumptions. We feel, however, that this Court will carefully scrutinize the record, and the facts therein disclosed will clearly demonstrate that Judge Carpenter's opinion should stand.

On page 136 of its brief the Government also states: "The more numerous variations in quotations after February are significant, because the members then knew the Bureau was under investigation." This is another false inference based on a misstatement of fact. Variations in quotations in March and April, 1920, while more numerous than in January and February, the dull season in this business, were less numerous than during a number of months of 1919. A careful study of these tables will convince any fair minded person that they contain no indications that prices were in any degree influenced by the fact that the Bureau was known to be under investigation.

One section of the Government's brief entitled "Production, Importations and Exportations of Linseed Oil" (pages 136, 140) attempts to show that during 1919 and 1920 the prices quoted by the members of the Armstrong Bureau were not gov-

erned by the law of supply and demand; that the prices of linseed oil increased during 1919 in the face of an over-abundant supply of linseed oil. The reasoning of the Government in this respect is based upon a report issued by the Bureau of Census, Department of Commerce, and submitted in the record as Government Exhibit 8 (not Government Exhibit 9 as stated on page 136 of Government Brief).

At the end of this section, however, the Government admits that "this table manifestly does not show the actual consumption of oil * * * because reports from many concerns could not be obtained." (Page 140 Government Brief.)

On page 136 of brief, the Government states that "the total quantity for consumption in this country for the first quarter of 1919 was 86,253,310 pounds, and that the consumption reported was 35,445,224 pounds. However, on page 22 of its brief, the Government states that for this quarter, "the amount of oil sold by defendant manufacturers was 8,110,714 gallons, or, as a gallon of oil weighs seven and half pounds (R. 71), 60,830,355 pounds.

On page 22 of its brief the Government states that "during the second quarter defendants sold more oil than the quantity produced." However, on page 137 of its brief the Government states that "for the second quarter, April 1 to June 30,

1919, the production was 95,040,905 and the consumption actually reported was 50,529,147 pounds." On page 22 of its brief the Government states that during the third quarter the defendants sold 100,307,815 pounds and there was produced 129,221,965 pounds. However, on page 138 of its brief the Government states that the consumption reported was 52,032,833 pounds. No reference is made on page 22 of the Government's brief to production and sales for the fourth quarter, but on page 138 of the brief, the Government states that for this quarter the production was 139,960,360 pounds, and the total consumption reported was 51,138,445.

On page 139 of Government's brief it is stated "that for the first quarter of 1920 the production was 117,225,669 pounds and that the total consumption reported was 58,219,239 pounds. On page 139 of Government's brief is stated that for the second quarter of 1920 production was 121,406,571 pounds and that the consumption reported was 943,556 pounds or 275,683 pounds less than for the previous quarter. How the Government arrives at the last two figures is not shown, but they are not supported by the figures previously appearing in the Government's brief.

The statement is also made in Government's brief, page 139, that the total supply on hand was 216,718,890 pounds and that the stock to draw

from was 22,854,700 pounds less than for the previous quarter. This figure does not harmonize with the statement appearing in Government's brief on page 138 for the previous quarter, wherein it is stated that the total for consumption was 196,678,540 pounds.

Government's Exhibit 8 (R. 254) shows production plus importations of linseed oil for 1919 as 469,070,633 pounds and for 1920, 520,471,716 pounds. It also shows consumption plus exports for the same years as 189,198,186 pounds for 1919, and 214,204,501 pounds for 1920. If these figures were at all accurate it would mean that during these two years only 40% of the available supply of linseed oil was used and 60% was accumulated. That such an accumulation of linseed oil did not take place during the years 1919 and 1920 is shown from the testimony. In 1919 the flaxseed crop of this country was a failure and the crushers had to operate almost entirely on flaxseed from Argentina; during this period the price of flaxseed reached the high for all times (see Government Exhibit 6) (Chart) due partly to a shipping strike in Argentina. The Government makes no charge that the Bureau or its members controlled the flaxseed market. Can any one for a moment believe that the price of flaxseed could rise from approximately $3.80 per bushel on October 1, 1918, to approximately $6.20 per bushel in July, 1919,

if the figures submitted in Government's Exhibit 8 as to production and consumption and the statement as to the supplies on hand referred to in Government's brief were at all accurate? And, further, where could the crushers store the flaxseed or oil during this period and if they had such storage facilities and attempted such a gigantic undertaking, where was the money to carry such enormous stocks of seed or oil as the Government's figures indicate were carried?

The reliance of the Government on the figures contained in Exhibit 8 shows, we contend, an utter lack of understanding as to what the real facts in the record show as to the relationship between the prices quoted and the supply and demand.

It has seemed to us from the beginning and more so now, that the chief difficulty of the Government throughout all these proceedings has been its inability or refusal to understand the functions of the Bureau with its members, or the records placed in its possession and fully explained prior to the beginning of these proceedings for submission to the lower court. If counsel for the Government had considered for a moment that the record shows that approximately 75% of the linseed oil business is done in "futures" and that sales reported for a quarter do not show how much oil is being delivered for that particular quarter, he would then have known that the statistics submitted in his

brief as to production and consumption were not at all applicable to the particular periods referred to for the purpose of showing how much oil was being delivered at that time. Further, if counsel for the Government had compared the spot prices of a particular period with the prices of "futures" being delivered at that time he would see that spot oil in many cases would be selling for one price and future oil being delivered at the same time would be bringing another and in most cases, a lower price.

If a great deal of oil is being delivered on prices made in the past, and the cost of flaxseed is higher than was anticipated at the time the futures were sold, the price of spot oil at that particular time must of necessity be higher unless there is an over-supply. With the flaxseed market feverishly rising day after day during 1919, as shown by Government's Exhibit 6 (Chart) until it reached a peak in July of that year never before heard of in the industry, could it be possible that there was an over-supply of flaxseed or linseed oil in the hands of these crushers, and that despite this fact, they were sending to Argentina for flaxseed and paying prices never heard of before? If such activities are presumptive of combination or conspiracy in restraint of trade the results obtained therefrom must have been quite different from the results sought.

Why members of the Council should conspire or combine to artificially fix or enhance prices of their product, of which the Government alleges an over-abundance, and at the same time pay the highest prices for raw material, is beyond our understanding.

The rising and falling prices as well as the inactive or uniform periods referred to by the Government in this section of its brief are treated elsewhere in this brief.

ORAL TESTIMONY

As stated in the Government's brief, page 140, it relies very largely upon the facts proved by its Filed Exhibits. The brief also states that "it introduced a few witnesses who testified in substance, that the prices of oil quoted by the several members of the Bureau after its organization were uniform, or were much more nearly uniform than they were previous to its organization."

We do not question the statement that the Government "*introduced a few witnesses,*" (the total number including its own investigator being five).

William Hoch, witness for the United States, on direct examination testified he was manager of the Paint and Wall Paper Department of Sears, Roebuck & Company; that he bought all the linseed oil for that company for about twenty years; that prior to the organization of the Armstrong

Bureau in October, 1918, there was a variation in prices obtained from the different crushers at times of several cents per gallon; that after the formation of the Bureau the prices were more equalized by the different crushers, "but did not affect me" (meaning the witness) "because I had a working agreement all the time so that I was not affected by their prices in buying." He further testified:

> "I obtained quotations from the others that were merely handed to me, offered to me as an inducement to buy oil. Of course, these people did not know my arrangement." * * *
>
> "I have a working agreement with Hirst & Begley which includes the price of the flaxseed and the overhead expenses and which also includes the working circumstances, etc., in making up the oil. Whenever I was in the market for linseed oil I would call up Mr. Hirst of Hirst & Begley and would ask him what the price of linseed oil was going to be. He would tell me the market price and I would ask him what the price would be to me. He would always figure a lower price to me on account of the quantities that I bought, and in addition, that I never buy spot oil but always buy in advance, so that he can keep his mills running all the time on my orders if he has not anything else to do, and in that way I buy my oil at a little bit cheaper than the market." (R52-53.)

Mr. Hirst of Hirst & Begley is one of the defendant crushers in this case and it will be seen by the testimony of the Government's witness that uniform prices were not being charged Sears, Roebuck & Co. during the period of the Armstrong Bureau's activities with the Linseed Oil Council.

On cross-examination, Mr. Hoch testified:

> "It is a fact, that there are certain periods, and have been during all the twenty years that I have been dealing in linseed oil when there has been a uniformity in prices." (R54.)
>
> * * *
>
> "I think the highest price at which Sears, Roebuck & Co. sold paint during the year 1919 was in the Fall * * * It was $2.88 per gallon. The same price prevailed in the Spring of 1920 and continued until this Fall, or, I should say, until January." (R54.)

This testimony shows that although the price of linseed oil during the period mentioned above many times went up and many times declined, he charged the same price for paint, $2.88 per gallon, which was, he testified, the highest price ever charged by his Company for paint.

Continuing his cross-examination he testified:

> "There was a great fluctuation in the price of linseed oil which I bought. My price for paint has remained substantially at $2.88

during the two years. * * * I do not get quotations from all the crushers." (R54-55.)

Quoting from the testimony of William O. Goodrich, one of the defendants, the record shows the following: (R94.)

"I talked with the general manager of Sears-Roebuck & Co., the man who testified here, and attempted to sell him some linseed oil. That was during the operation of the Bureau. * * * I then asked him if he meant to say that he would not be interested in oil at any price I might offer, and he said he would not. I said, 'Do you mean to tell me, sir, that if I offered to sell you oil for 75 cents when it was worth $1.50 that you would not be interested in my wares?' He said, 'Not at all. It is quite a waste of time for you to talk to me.' "

Since this buyer was obviously not seeking the lowest price available, his testimony regarding existing competition could hardly be considered conclusive.

On re-cross examination, Hoch testified:

"I do not always buy at the lowest price; for sometimes there may be other things besides price. As a matter of fact, price cuts very little ice with us." * * *

"I think the terms of sale are pretty gener-

ally known. They are pretty much the same.

"Q. All satisfactory?

"A. Yes, sir." (R57.)

Solomon L. Sulzberger, witness for the United States, testified he was President of the Enterprise Paint Manufacturing Company, in business about twenty-seven years manufacturing and selling paint; that he was able to get different prices from different people before the Armstrong Bureau was organized; that while the prices were not uniform they were close; that after the Bureau was formed the prices were uniform. (R58.)

On cross-examination he testified:

> "I could not answer as to when during the operations of Armstrong Bureau any of these crushers quoted me the same prices at the same time * * * I never told a crusher that I could get linseed oil at a lower price unless it was true. I never did that unless it were true, and it has not been the case in a good many years. I did do that in the earlier years before this Armstrong Bureau." (R60.)

Particular attention of the court is invited to the following testimony of this witness:

> "I think I would be opposed to a very unsettled market in the linseed oil industry. Violent fluctuations would be a serious menace to any dealer in oil such as I am. My present

contract is a burden to me because I have lost money on it. The reason for that is that there has been a violent fluctuation in the price of oil. Not merely a fluctuation; it has been a general decrease." (R60-61.)

* * * * * * *

"We know when we buy oil that we are speculating. Any man who buys a thousand or two thousand barrels of oil which is to be consumed within the period of six months or three months to follow is speculating. We use our best judgment. It is not a question of the market fluctuating. You see, the market was pretty steady when I bought my oil last August, and it has gone down very badly since. So the fluctuations in the market are not the things that cause me to buy. There are certain times when we have to prepare ourselves to establish the cost of our finished material into which the oil goes. There are certain seasons of the year when we prepare ourselves for the coming three or six months. We use our best judgment, and that is the only answer I can give as to the time we select to buy. I think any linseed-oil buyer will substantiate my statement that during the past twenty years every man was a good buyer, because every time he bought oil it went up, and consequently we have no recollection of what happened at the time we bought. We only know that we made money by buying. That has been the history for the last twenty years,

even during the reign of the Armstrong interests.

"It is a fact that all through my experience there has been periods when the prices quoted by the different crushers would be substantially the same and that there would be other periods when the prices would vary some. It has been my experience, even during the Armstrong regime, that flaxseed or the price of oil would fluctuate; that at periods it would be more stable—that is, it would run along when there would be more of an equality as to price —and that there would be other periods when there would be a variation in price. In buying oil I endeavor to get the best price and to get the best delivery. The question of delivery was of sufficient importance so that I might show a preference between two people of the same price, but I would not pay any more for that privilege. That accounts for the fact that I bought oil from the different members of this association.

"During this period there were brokers going out and buying oil and speculating in it. That was against our business, and I think that it was against the interest of the purchasing public."

"Q. It was a matter of importance to you and to those who purchased your product and who used the product of linseed oil that there should be eliminated this speculation?

"A. It should be the natural supply and

demand and not an artificial one.

"Q. And that is what governed it all during your experience?

"A. Yes, sir.

"Q. The fact is that that is what governs the oil market even under the Armstrong Bureau?

"A. Yes.

"Q. So that, in your opinion, as a dealer and as a buyer in large quantities, the market for linseed oil even during the two years of the period of the Armstrong Association was controlled by the law of supply and demand?

"A. To a large extent, I should judge.

"Q. You never felt that there was any association to prevent you from buying oil at a fair price, did you?

"A. No; I never thought so.

Cross-examination by Mr. Congleton:

"I usually buy oil on six months' contract for equal deliveries each month, or something of that sort. During the operation of the contracts I am out of the market for the purpose of buying oil, but I am still sufficiently interested to know what the price of oil is, because we sell some oil, and we have to sell it at the market price. We are guided entirely each day by the price of oil when we quote a price on oil. We do not aim to get any more or any less than the crusher. Buying and selling oil is a part of my business, and in connection

with it I keep myself fairly acquainted with prices and price ranges. I think that in 1918 the price was somewhere around $1.75, and that it went up as high as $2.25. I think that in 1919 the price was $1.50. I am speaking now of oil and cooperage. I think I remember some oil bought in the fall of 1919 for $1.52 or $1.50, which went up as high as $1.75 or $1.80 in the spring of 1920. The price began to come down in July or June, 1920. It got down to about $1.12 in August, and it has kept continually coming down until the present time. I would not call it a violently fluctuating market, except the last six months. During this period I got some postal cards from the crushers every day, but they did not contain the carload price. I cannot tell you how often I got carload prices, but I got them once a month, and possibly more frequently. I would have no means of knowing if there was any spread or range in the various crushers' prices during the periods in which I did not ask for quotations. In selling my oil I attempt to follow the linseed market, but that is not always a good way, because I have seen flaxseed go up and oil come down and flaxseed go down and oil go up. The flaxseed market is a very feverish one. I cannot recollect any time during the period of the Armstrong Bureau when I thought the price of oil was out of proportion to flaxseed." (R61, 62, 63.)

T. J. Hurtz, witness for the United States, testified he was Traffic Manager and Purchasing Agent for Bradley, Vrooman Paint and Varnish Manufacturers; that he bought linseed oil for fifteen years; that some time before the Fall of 1918 there seemed to be a variety of prices when he would ask for quotations; the next Spring that variety seemed to be passing; the price he would ask and get from the various crushers would be the same. (R55.)

Government's Exhibit 3, clearly shows that from October 1, 1918, until the Spring of 1919 the price of linseed oil declined greatly with varying competitive prices over a large portion of this time.

On cross-examination Mr. Hurtz testified:

> "I do not think the price of linseed oil ever affects the price of our paint." (R56.)

On redirect examination he testified:

> "In stating that the price of linseed oil did not determine or reflect the price of paint, I was speaking about the price which my own Company makes for paint. We are a comparatively small company in the business, and in fixing our selling price follow the lead of the big companies and that is what determines our selling price and not the price of linseed oil."
>
> "Carpenter, J. Then when you get information from any source that some of your

large competitors have raised prices you raise yours?

"A. Not always.

"Q. Well, generally, if you can get it?

"A. No; we have not in the past two or three years. We have been very slow to follow. Eventually we have raised, because we are in no different position than they are. Our costs have gone up, but they have not gone up possibly as far as some of our competitors. We have not raised our prices as fast as some of them.

"Q. But you make use of the information that you get of your competitors' prices?

"A. Naturally." (R56-57.)

Merritt A. Richardson, witness for the United States, testified that he was President of the Inland White Lead Company; bought linseed oil from the crushers for seventeen years; that his experience as to securing competition in price prior to the formation of the Armstrong Bureau was that "it was always rather close," that after the Bureau was formed "there was no competition and no difference in prices;" that William O. Goodrich, one of the defendant crushers, visited him at his place of business and he complained to Goodrich about the terms and told him that he was hard up and asked Goodrich to give him longer terms; that Goodrich replied, "Well, I do not see why I could not renew this acceptance for another

thirty days," which he did. (R63-64.)

On cross examination Richardson testified that he heard of trade acceptances two or three years ago; that he did not know what the range of prices were during the operation of the Bureau; that he recalled that the high market for flaxseed during this period was $6.40 per bushel, and stated, "You bet that did have something to do with the rise in the price of linseed oil." Every time it went up, up went oil. The price of linseed oil usually follows the price of flaxseed on an up market. It does not follow so rapidly on a declining flaxseed market.

> "*My costs were advancing during the period from October, 1918, until six months ago. We did not change the price of paint as frequently as the oil people did, as that makes it too unsettled for our customers.*
>
> "We try to make a price for paint for six months. * * * The fluctuation in the price of paint is a bad thing for our customers, because we can't change bills every time a man buys if they buy every week, as a lot of our customers do. *We have regular prices for paint and do not give everybody a different price.*" (R65.) (Italics ours.)

ORAL TESTIMONY OF WITNESSES FOR DEFENDANTS

George F. O'Neil, witness for defendants, testified that he was President of the O'Neil Oil & Paint Company; that he purchased linseed oil for

twenty-five years; that for several years he had made notations of quotations made by different crushers to his company; that as quotations came in to him he entered them in a list and kept them from time to time for reference. These notations appear in the record as Defendant's exhibit 1 (R676-680), and begin from June 3, 1919.

We respectfully request the Court to carefully examine this exhibit for the purpose of ascertaining whether or not it discloses the fact that varying prices were being quoted by the members of the Bureau during this period. The witness testified that he got these quotations continually from the agents that came into his office and verbally over the telephone; that during the years 1919 and 1920 competition on the part of the crushers to get his business was as great as at any other time; that when he wanted to buy oil he would ask the different crushers for their prices and then would buy from the one that had the lowest price and the best delivery on the goods he wanted. (R73, 75.)

The cross-examination of this witness by the Government was very brief, being as follows:

> "When I stated to one of the crushers that I had gotten a lower price from another I would tell the truth; it was not my habit to misrepresent that fact." (R75.)

Daniel A. Murphy, witness for defendants, testified that he was Secretary of the Wadsworth-Howland Company, and attended to its purchases of linseed oil for about twenty years; that there was competition between the crushers before September, 1918; that there were times when there was no variation in prices, and these were periods when the market was quiet; that the quotations after September, 1918, were not always the same; that the quotations would vary at times from one to four cents per gallon; that the variations continued from September, 1918, to June, 1920, and indicated to his mind that there was active competition between the crushers for his business. (R102-103.)

The cross-examination by the Government of this witness was likewise very brief, being to the effect that while he received the same quotations from one or two at times, there was as a rule a spread in prices. (R103.)

John E. Thomas, witness for defendants, testifield that he was a paint manufacturer; that he got quotations from the crushers over the telephone every day; that he knew of the existence of the Armstrong Bureau with the Linseed Oil Council; that he was able to get varying quotations from the crushers, but at times they were uniform; that there was not much variation,—between one, two or

three cents; that there was no material difference between the spread in prices during the operations of the Bureau than before; that they usually bought oil on the advice of crushers as they figured the crushers were in closer touch with the situation; that they had a "pet" crusher, and he advised them when to buy; that he had been doing business that way for six or seven years and found it very satisfactory; that they also checked up the prices given them with the quotations and found that they were being fairly treated; that the operation of the Linseed Oil Council under the Armstrong Bureau never worked an unfair burden upon him as a buyer. (R103-104.)

No cross-examination of this witness appears in the record.

Herbert L. Baumgardner, witness for defendants, testified that he was President of the Holland Core Oil Company which manufacturers core oil, a substitute for linseed oil; that he has bought 8,000 to 10,000 barrels of linseed oil for his business per year for the last ten years; that he has kept in touch with the linseed oil market; that in the period of about six or seven years prior to September, 1918, he found a competitive spread between the prices of the various crushers; there were times when the crushers were quoting the same prices; after October 1, 1918, up to June 30,

1920, he found a spread of from one to four cents per gallon; during the last five years his purchases were made on the recommendation of one crusher whose prices were verified from time to time from other crushers; that when he did not obtain as favorable terms from him in the matter of prices as from any other crushers, he bought from the others; that the question of service is a consideration to a buyer of linseed oil. (R107-108.)

On cross-examination he testified that:

> "Before the Armstrong Bureau was formed we found fluctuations in prices from time to time as we inquired for them, and we found changes in prices after the Bureau was formed. We did not find that the market was somewhat more stable after October 19, 1918.
>
> "Our one crusher would not always meet the price of a competitor if it happened to be lower. I would say it was about even. Sometimes we would get them down to the competitor's price and then there were times when we could not. I have not noticed any particular variation in the attitude of the crusher during the last two or three years." (R108.)

Additional buyer witnesses for the defendants were presented in the lower court for examination, but Counsel for the Government stipulated that they would testify the same as other buyers

had testified and for that reason they were not called to the witness stand. (R123.)

All of the defendant crushers or their executive representatives testified in the lower Court and not only did they deny that they had entered into any agreement with reference to prices, but their examination went into great detail as to how they conducted their business while connected with the Linseed Oil Council under the Armstrong Bureau. In the course of such examination Judge Carpenter asked many searching questions with respect to their activities while in the Council.

Below is given a resume as to the defendant crushers' testimony with respect to how they arrived at the prices they quoted their trade.

J. A. Mann in part testified as follows:

* * * * * * *

"We market our linseed oil directly from our main office in Buffalo and through agents. The agents are purely agents, who sell the oil at the price we direct and get their commissions just like any other commission business. We, of course, try to base the price at which we or our agents sell the linseed oil on the cost of our raw material with a profit added, but we cannot always do that. We have to be governed by what somebody else is doing. Our big competitors usually force our prices. The first great consideration in fixing our price for

oil is the cost to make it, which we figure out as nearly as we can. Then, of course, we try to get a higher price than that. That is legitimate business; but, as I say, we often times have to meet with much lower prices than it has actually cost us. That is, I think, true of any business." (R67.)

* * * * * * *

"Before we became acquainted with the Armstrong Bureau we could discover what the market was when we would offer linseed oil to a buyer and he told us that he could buy at a lower price—if the buyer told us he could buy lower than our quotation we would have to accept that as the probable condition of the market. We market our oil east of Chicago, and we never go west of Chicago. Our agencies all over keep us posted as to the state of the market to a certain extent, but often we have to advise our agencies as we sometimes hear of things before they do. The agents telegraph us or write us that half a dozen of our competitors are naming such and such a price and inquire what they should do. If we want to meet the price we say yes; if we don't, we say no." (R67-68.)

* * * * * *

"Besides finding out about competitors' prices through our agents generally, we find out about them in bucking up against the prices of others, as it does not take long to discover them then. If you have something

to sell and somebody else has got something to sell, you very soon find out what the other fellow is going to sell at; and of course, if you are going to sell you have got to at least do as well. I think that is true of any commodity. The information that we receive from our representatives and from buyers in reference to the conditions in the market is not always reliable by any manner of means. That causes a wide fluctuation in markets." (R68.)

* * * * * *

"When we made a price to a buyer we would wire it in to the Armstrong Bureau within two or three hours; and if our competitors kept their word, they were doing the same. If I made a price which was below the market price and reported it to the Armstrong Bureau, I could make any other price in five minutes if I wanted to. If I went below what other competitors were quoting I absolutely never felt under any obligation to maintain that price for any particular time. If someone reported a different price I would be governed entirely by our own business conditions. If we were anxious to trade I would very likely make a lower price and sell and get all the business I could. If we were pretty well sold up I would pay no attention to it." (R68-69.)

* * * * * *

"We often learned of our competitors' quotations before the Armstrong Bureau could

get it to us. In that event I would do exactly as I would do now when we are not in the Armstrong Bureau. If we wanted business badly I would go out and go lower; if I did not, I would ignore it. I would regard the Armstrong Bureau information as reliable and the other information that we pick up as sometimes reliable and very often unreliable." (R69.)

* * * * * *

"Either I or my son controlled the prices made by our plant. My son consults with me with reference to prices, and our prices were never at any time controlled or directed by anything other than my own judgment as to what they should be. I never attended any meeting with any of these crushers outside of the Armstrong Bureau." (R71.)

* * * * * *

Samuel Mairs, in part, testified as follows:

"The elements entering into the determination of the price of linseed oil are the working costs and what we think we can get for the cake or meal at the time it is manufactured, depending upon whether it is a spot market in which we are selling the oil or a future market in which we are selling the cake. The cost of flaxseed and the working costs are elements entering into the consideration." (R75 and 76.)

* * * * * *

"The quotations which we received from the Bureau sometimes might show that prices had declined or had advanced." (R77.)

* * * * * *

"Q. Are you operating any differently now than you did when you were connected with the Armstrong Bureau? I mean in fixing your prices or in the way of marketing your goods or in the way you ship your goods or in the prices that you charge?

"A. No, sir.

"Q. Is there any difference?

"A. No, sir; none that I know of.

"Q. Then, as I understand, the sole purpose of the Armstrong Bureau arrangement was to get accurate information?

"A. That was the main purpose.

"Q. Did you get anything else other than that?

"A. No, sir." (R80.)

* * * * * *

"I helped to make our company's prices. We would talk over conditions as to whether we wanted to change our prices or not, and when we had decided to do so we would make quotations, would change our prices and then wire the Bureau that we had done so. That information might not have gotten out promptly. It might have been delayed, but our aim was to send it out promptly. By changing our prices I mean that we would send telegrams to our agents and to any other people who

were inquiring for oil. At the same time we would tell the girl to notify the bureau. The instructions were that the information to the bureau should go out afterwards. Sometimes it didn't go out right away. It usually, however, got out fairly well after we had made a change. We might have put in a new price and have changed again and reported to the bureau. We could change our price every five minutes if we wanted to." (R81.)

* * * * * *

"Q. Did you, in connection with other things, take account of that information which you received through the bureau as to the prices of the other crushers when you made your own prices?

"A. We took the flaxseed market into consideration and we took the cake market into consideration. I would not say we took the other fellow's prices into consideration. If we felt as though we wanted to reduce our prices, we would have anyway.

"I am asking you whether you took account of that information which you received through the bureau?

"A. Oh, we made a note of it; yes.

"Q. You took account of that when you were figuring your own prices; took that into consideration along with other things?

"A. Yes." (R82.)

William O. Goodrich, in part, testified as follows:

"I used the information that I got from the Armstrong Bureau to check up my own line of action as to whether or not I could afford to make a price such as was being quoted in connection with the cost and the price of seed. * * *"

* * * * * *

"Q. But did you feel under any obligations to continue the price that you had made for any length of time?

"A. No, sir.

"Q. Did you ever give any assurance to anyone that you would not change your price for any definite length of time?

"A. No, sir." (R93.)

* * * * * *

"I, in fact, always competed while affiliated with the Armstrong Bureau, the same as I competed previously or afterwards. I usually go out to get business by first ascertaining what my own position is with relation to selling—how anxious I am to sell. Then I find out what my costs are, find out what the general market is, and see whether I can afford to cut under somebody else's prices or whether I can afford to meet that person's price. When there is a prospective customer who I think would be an advantageous customer, I usually try to quote him a price that will sell him." * * * (R94.)

* * * * * *

"I never feel in any way under any obligations to follow the prices of any of my competitors. The fact is that I deviate very often from their prices. Their prices are only a guide to me as to the general condition of the trade. My own price has always been a matter for me to determine, depending on my anxiety to sell and my purchases of seed. I might have been fortunate in buying some seed before the price advanced, so that I was able to make a quite drastic cut without actually losing money, and when there was such circumstances, I did so." (R97.)

* * * * * *

"The Philadelphia incident was not the only transaction where I undersold my competitors. I needed money, or I would not have made the price, but I did that very frequently. When I had the stock and needed the money, I made the price that would give me the customer, and what anybody else's price was had no bearing on the question." (R99.)

* * * * * *

Recross-examination by Mr. Mitchell:

"Q. Having definite information through the Bureau of the prices on file by the larger crushers at any given time and knowing that those prices were found to be adhered to until notice was given to the bureau and relaying it to everybody else, having that knowledge as to the prices would tend to prevent you from

making a sale at very much under those prices, would it not?

"A. First of all the question, as you put it, in which you state that I know the prices will be adhered to, is not really in accordance with the fact, because I did not know that. Consequently, I would not be very much influenced in my action by the fact of their making a specified or specific price. My action would be entirely determined by my own conditions and my own anxiety to sell.

"Q. Well, weren't they bound the same as you to adhere to filed prices until they notified the bureau of the change?

"A. No. They made the prices——.

"Mr. Mitchell. G. Unless they notified—if a special sale was made—unless they sent in immediate notice?

"A. No, sir.

"Q. Which also was sent to you?

"A. No, sir. They were at liberty to change their price at any moment.

"Q. With notification?

"A. After, after they changed the price.

"Q. With immediate notification?

"A. Yes; but that notification could not in the natural course of events come to me for quite a considerable period of time after the deal was over and consequently I might be out of the market.

"Q. Well, how long?

"A. And unable to sell; in that condition when the notice was received.

"Q. How long a period of time would that comprise? Time to send a telegram to the bureau and for the bureau to send out a telegram?

"A. Yes.

"Q. That will appear of record.

"A. But that was quite a considerable time sometimes.

"Q. Well, that length of time, the minutes or the hours in some instances, will appear in the record, of course?

"A. Yes; it does appear in the record, but, as a matter of fact, it was often twenty-four hours owing to the delay of telegrams.

"Q. One coming out late one afternoon would not get to you until the next morning?

"A. No. I have frequently known cases where I have made a price, have telegraphed it into the bureau, and the information was not received by some of the others until the following day owing to delays of the telegraph company, or clerical delays in the office. Consequently, I never felt a great deal as if I could place much reliance upon the quoted price. In other words, I knew that if I really wanted to sell the oil it was up to me to make the price that would sell it.

"Q. And you attached no importance to the fact that you had received this notice of price, which was on file by the large crushers with

the bureau, and that they were bound to give immediate notice through the bureau to you of any change?

"A. Why, certainly I attached some importance to it. It is one of those things which gave me a guide as to the general trend of the market.

"Q. In making your own price?

"A. Yes.

"Q. You would take that as one of the guides, would you?

"A. Yes; certainly." (R100 and 101.)

George A. Martin in part testified as follows:

"The Sherwin-Williams Company subscribed to the Armstrong Bureau because the linseed oil industry was the most unsatisfactory that we had to contend with, and we believed from the information given by those who tried to introduce the service that we could and possibly might eliminate some of the irregularities or abuses which were beyond the control of any one individual. First among those irregularities or abuses I would mention the wide fluctuations and the speculations in flax, and things of that sort. Others were the disparity in probably freight conditions. No one crusher alone had the power or prestige to influence or correct some of the abuses which were practiced by others."

* * * * * *

"Q. In what way did the quotations which you received from the bureau affect your business as a consumer of oil?

"A. It was a guide to start on, that is, it was a more reliable guide than we had had prior to the formation of the bureau. We did not have to do so much feeling out to see what the market was.

"We only sell at wholesale on rare occasions, when we find that we are in wrong on the market and believe it advisable to get out in a hurry. We then cut at a sacrifice to a competitor. Our principal business as a crusher is to consume our own oil or to sell it at retail to small customers.

"I only attended about six or eight of the meetings of the Linseed Oil Council at the Armstrong Bureau. There was no discussion at any of these meetings as to the prices which were to be charged by any of the crushers, and there were no understandings or intimations of any kind as to prices which any one should thereafter charge."

* * * * * *

" * * * There was practically no difference; that is, as to the spread during the affiliation of the crushers with the Armstrong Bureau and previous thereto, and since it ceased." * * * (R104-105.)

* * * * * *

"We were only in competition with the other crushers at times when we wanted to unload

and get out of the market, or something like that. We would then call on or write or telephone to certain accounts to see if we could make sales. On such occasions when we have unloaded we are not bound by any obligation of any kind to maintain or fix or give any price, or to lower the price or to enhance the price. We purposely cut the price when we want to. (R107.)

F. Carlton Smith, in part, testified as follows:

"In receiving the reports from the Armstrong Bureau we acquired accurate information as to market conditions. Whenever Mr. Ramsay was absent I made the prices for the company. We have a capacity of 25,000 barrels of oil per annum, which is very small compared to the other crushers. There was never any attempt on my part at any time to follow the leadership in the market of any other crushers. The making of the prices depends largely upon our stocks, what we have already sold, or what we have for sale, our opinion of the market as to whether it would go up or would go down. It was a matter of personal judgment. The information from the Armstrong Bureau helped us by giving us accurate information as to price conditions, and as to the volume of sales that were being made. Mr. Ramsay never instructed me as to how I ought to determine a price in considering the figures I received from the Armstrong Bureau.

I never felt under any obligation to maintain a price for any particular time. We might change our prices twice a day, if we felt so inclined, and we have, in fact, done so during the time of the operation of the Bureau. Such rapid changes might have been due to fluctuations in the flaxseed market or to war conditions.

"We sometimes cut prices to meet competition when we might want to sell oil." * * * (R108-109.)

* * * * * *

"* * * None of the other crushers ever in any way criticised me for any price I had made at any time. We would not submit to it, for one thing."

Cross-examination.

* * * * * *

"Q. Well, why did you want to know about the market prices?

"A. So we could do business intelligently.

"Q. Did you follow the market at all in making your prices?

"A. One always has to follow the market when they sell, Mr. Mitchell.

"Q. Well, that was my impression.

"A. Yes.

"Q. I am glad that you have the same one I have.

"A. At least I have found it so.

"Q. How did you ascertain what the market was, then, while the bureau was in operation?

"A. We got it from the reports.

"Q. Through the bureau?

"A. Yes.

"Q. Yes. What does the market mean? What do you mean when you say the market? Don't you mean the prices that other crushers were selling at?

"A. I mean the prices that anybody was selling at, be they crushers or brokers or speculators or anybody else.

"Q. Who sells the most of the linseed oil? The crushers?

"A. The crushers would naturally sell the most of it; yes.

"Q. The prices—the crushers determine what the market was?

"A. They would determine the market level; yes.

"Q. Yes?

"A. Of course." (R109-110.)

Louis N. Leffingwell in part testified as follows:

" * * * Our determination of the price to charge for oil depends on the price of flaxseed, the working cost, and what we get out of the meal. There was no time that I felt obliged to maintain any price for any particular time. I never gave any assurances to any one that I would not reduce a price. I at-

tended all of the meetings of the Linseed Oil Council under the Armstrong Bureau, and there was never at any time any discussion there as to the prices that the crushers were to charge for their product. The minutes of the meetings, I think, set forth the nature and the substance of the deliberations. I never, directly or indirectly, gave any assurance to any of the other crushers as to any price or as to any change in prices that I would make at any time, and they never gave me any assurances as to any prices which they would make or any changes of prices which they would make. We never talked about prices at all." (R110-111.)

* * * * * *

Cross-examination.

"In establishing our prices, if we want to meet competition and know what others are getting, we have to quote as low as they do, or we would not get the business. So we certainly take account of the prices which the others are making in making our own prices, and we get that information as to the other's prices through the bureau." (R112.)

* * * * * *

" * * * The only benefits secured through the bureau would be the fact that we would know what the other crushers were doing, how much seed they were crushing, how much oil they were selling, and what prices

had been quoted. With that information you naturally can do business to better advantage than if you were not posted as to what was going on.

"Carpenter, J. That is a little knowledge of their private business life that you would not have acquired had not you and they belonged to the bureau.

"A. That is the idea, your honor." (R113.)

* * * * * *

"Carpenter, J. Suppose there were just six oil crushers in the country and none of them belonged to a bureau of this sort. They might have some difficulty in knowing of the market conditions.

"A. Certainly.

"Carpenter, J. Then, they all joined the bureau. Everybody opens his books and heart to everybody else. What would be the natural result to them in the oil business, and what would be the effect on the consuming public? What I want to find out is—whether, if you get an advantage on something, where is the detriment? Where is the other side of the measure? You are getting something now that must come out of something or somebody.

"A. The only advantage we get is that the better posted we are on the business, on the conditions existing as to the amount of raw material, the manufactured material, the better position we are in to know whether to sell or not.

"Carpenter, J. Exactly. Now, against whom does that advantage run?

"A. I do not know that. The buyer of linseed oil may buy his oil just as cheap on the average all the year along, if we are in a better position to know what we are doing than if we are not. He may strike some average. Sometimes we may sell cheaper and lose money."

"Recross-examination.

"If we are in a better position to know what we can make oil for and sell it at we are going to sell as near cost price as we can with a little profit, and if we are not in a position to know the conditions existing we are naturally going to ask a little bit more in order to be protected in case the market goes the wrong way. In that event, I think, the buyer of the oil would have to pay more for it. I would not say that in the absence of such a system as obtained under the bureau we were likely to sell our oil at a higher price. It depends upon conditions. I believe the disadvantage to the ultimate consumer in blind competition lies in the fact that if a crusher is posted on conditions he is bound to sell his oil a little bit closer to cost price than if he is not posted. (R113-114.)

Frederick K. Quine, in part, testified as follows:

"* * * When we made our quotations to the bureau they stood, unless we changed

them, but we were at liberty to change them at any time that we saw fit. We, as a matter of fact, made actual sales before reporting to the bureau, reporting the change of price to the bureau just the same, and when we made a quotation which was at variance with our filed price, as we did when we made a sale which was at variance with our filed price.

"As far as our company was concerned we used the information which we received from the bureau in checking up the various reports which we got from our field agents. We have a great many resident salaried managers at the large buying centers in this country. The advantage of getting the information from the bureau was that we considered it reliable and a perfect check against the reports which came to us daily or otherwise from our various men. Reports from the men were not always reliable, and we have to take them for what they are worth.

"In making our own prices we first took into consideration the cost of the raw material, the expense of manufacture, what we could get for our by-product, the cake or meal, and the result was the cost of linseed oil to us. If we could get cost, we would get it and a profit, if we could. The statistics from the bureau were not of very great importance to us in making prices to the trade because we were making our own prices. We figured our own cost and we buy our own raw material. We many

times cut under the prices that were quoted by our competitors, our position in that respect depending entirely upon the ordinary market position with relation to the amount of oil which we had on hand for sale, or the amount of oil we had for future delivery. We might not care to sell at lower than the price which we were quoting today, and the situation might change day after tomorrow, depending upon the price of raw material."

* * * * * *

"In my judgment, and experience, this system did not in the slightest degree have any tendency to fix prices. From my knowledge I did not observe any attitude or disposition upon the part of any of the crushers in making prices to follow the leadership of any other crusher." (R115-116.)

* * * * * *

"Q. Is this a fact, as you regard it, that in the operations of the bureau your obligation with reference to your quotations, filing them through the bureau, and adhering to them, was only this—that you should, having filed a price, that you should not deviate from that price without notifying the bureau? Is that correct?

"A. No; we would not deviate from that price unless we afterward notified them of it." (R120.)

Ralph Bolton, in part, testified as follows:

"Whenever I saw a profit on the reproductive value of the seed I fixed a price to move the oil. I have at times cut below the prices filed by the other crushers. I attended all but three of the meetings of the Linseed Oil Crushers' Council, and there was no talk at any of those meetings of prices which any of the crushers might make, and no understanding as to what prices might be charged.

Cross-examination.

The prices came along from the Armstrong Bureau, as well as information as to the movement of the oil. The prices did not interest me because I could get information through our own sources, but I could not get information as to oil movements through any sources other than the bureau. The information as to prices was nothing new to me, as I knew what was going on in our territory all the time and would never be more than two or three hours behind any change of prices, however I might get the information. I never attempted to follow the market. I followed the flax market. I was out to sell oil at a profit wherever I could do so on the flax market. I had no idea what any competitor was going to charge at the time our buyers got our prices, as the prices could change in 10 minutes." (R124.)

Charles T. Nolan, in part, testified as follows:

"* * * The price information received through the Armstrong Bureau—that is, the prices filed by the other members of the council—were to guide us to a certain extent in determining what prices we would make at which to sell our linseed oil, as well as other basic principles and rules. It did so, for this reason: We realized if we maintained our price any great length of time at a level below the price information we got, we could not supply the demand and would not have any oil on hand for more than a few days. On the other hand, if we maintained our prices at a level above this price information which we got, we probably could not run our mills long, as we would accumulate a stock beyond our ability to store it, and we would not care to do that at any rate. We would be governed by the information received to the same extent as if we had received price information from other sources. We would aim to have our prices at such a level as to dispose of our product." (R126-127.)

John W. Hirst, in part, testified as follows:

* * * * * *

"* * * In selling linseed oil I nearly always took into consideration in fixing my price the cost of replacement. I do business in a very peculiar way. I have always, in building up the trade I have in Chicago, based

my price on cost plus, and did so during the time I belonged to the Armstrong Bureau.

"I have an idea that I sell about 75% of the oil that is used around Chicago, and I keep that trade and make my sales in competition with the other crushers." (R147.)

WHY CRUSHERS JOINED THE BUREAU

An examination of the contract between the Bureau and the Linseed Oil Crushers explains in large part why the individual companies entered into the service agreement set forth in the record. This contract discloses the fact that the purpose of the bureau and its subscribers was to obtain statistical data pertaining to the linseed oil industry, which was at all times accurate and up-to-date and could be relied upon by the members to intelligently prepare their course of conduct in the buying of flaxseed and the sale of linseed oil.

Many of the representatives of the defendants testified as to why they joined the bureau, but the Government in its brief, pages 142-145, while quoting or referring to some of the reasons, attempts to place a construction upon the same which belittles and disparages the sincerity of the reasons given by the defendants. Further, an examination of this portion of the Government's brief discloses the fact that Counsel for the Government has not altogether confined himself to the record. For in-

stance: on page 143 of its brief the Government has quoted a statement which it says was made by Mr. Nolan of the National Lead Company. The record shows that this statement was not made by Mr. Nolan but by Mr. Leffingwell of the Northern Linseed Oil Company. It does not make any difference who made the statement but the reference in the Government's brief is called to the Court's attention as another instance of the inaccuracies permeating the Government's brief throughout.

The Government, in its brief, 142-145, quotes excerpts from the testimony of some of the representatives of the defendants as to why they joined the Bureau, following such excerpts with statements, which we contend are wholly unsupported by the facts. In quoting Mr. Mairs of the Archer Daniels Company as having testified that "we joined the Armstrong Bureau in order to get market quotations which we felt would be reliable, and to get any other advantages which the Armstrong Bureau could bring through intelligent marketing of linseed oil," the Government states that Mr. Mairs could think of no specific advantage other than market quotations. If Counsel for the Government was at all familiar with the entire activities of the Armstrong Bureau as set forth in the record, he would know that "any other advantages" referred to by Mr. Mairs was specific

enough without enumeration. Further, when the Government states that Mr. Goodrich testified that he did not know there were any conditions in the industry that led him to join the bureau, they were taking that statement too literally, because Goodrich's testimony on this point quoted in the Government's brief set forth the conditions of the industry as pertained to Mr. Goodrich's business, and certainly were specific.

In quoting Leffingwell (not Nolan) in its brief (page 143 Gov't Brief), the Government states that Leffingwell claimed that the co-operation referred to in his testimony had nothing to do with prices. What Leffingwell actually testified to in this connection is quoted below:

> "If you wanted a half barrel of oil I would charge you 65 cents a gallon, or 5 cents over for the half barrel, whereas somebody else would charge 60 cents per gallon, plus $1.50 additional. The purchaser would pay the same price, but it would be better for each of us to go along on the same basis, instead of one charging so much a gallon extra and another so much for the half barrel. I think it is an advantage all the way through to have a market uniformity. I do not say as to prices, as prices have nothing to do with it in any way, shape or manner, so far as joining the bureau is concerned. We did not take that into con-

> sideration at all when we joined the bureau and, in fact, I do not know anything about it." (R112.)

Now it is clear from the above that what Leffingwell was *not* referring to was co-operation as to fixing prices, and further, there is nothing in the record so far as we can ascertain that "the system can work so nicely as to terms of sale and other practices incident to the trade." It is a matter of record that the terms of sale were not uniform and were not followed as recommended at the Council meetings, for the reason that several members of the bureau did not feel inclined to use the terms recommended; and as set forth in the contract, were free to use their own judgment in conducting their own business. The only requirement was that any change in attitude toward terms already on file with the bureau should be bulletined to the bureau for distribution to the other subscribers.

John A. Mann of the Mann Bros. Company, of Buffalo, testified:

> "The Armstrong Bureau had been in existence with the other crushers about a year before we had anything to do with it. Our primary motive for becoming affiliated with it was more accurate information as to market conditions." (R68.)

William O. Goodrich, President of the Goodrich Company, testified that his reason for joining the bureau was that he regarded the plan proposed by it as a very good one which would change the general feeling of distrust and lack of confidence between the various members engaged in the industry, and dispel the general darkness that surrounded him in his attempt to gauge conditions, and said:

> "Those conditions had always existed in the past. With regard to doing business in the dark, I mean that I am one of the smaller crushers in the industry, and am, perhaps, under a great deal more of a handicap than some of the larger ones, in that I do not have the same diversified means of obtaining information as to market conditions and conditions of the trade. I was dependent largely upon such information as I got from the buyers of linseed oil as to what was doing. * * * It was very largely prejudiced and given out with the very definite idea of misleading me. * * * That was the usual method of procedure." (R93.)

George A. Martin, of the Sherwin-Williams Company, testified in part as follows:

> "The Sherwin-Williams Company subscribed to the Armstrong Bureau because the linseed oil industry was the most unsatisfac-

> tory that we had to contend with, and we believed from the information given by those who tried to introduce the service that we could and possibly might eliminate some of the irregularities or abuses which were beyond the control of any one individual. First among those irregularities or abuses I would mention the wide fluctuations and the speculations in flax, and things of that sort. Others were the disparity in probably freight conditions. No one crusher alone had the power or prestige to influence or correct some of the abuses which were practiced by others." (R104.)

The Government in its brief states that "the bureau certainly made no effort to control fluctuations in flax, nor did it modify freight rates except by adopting the zoning system, which did not affect in the least the actual rates." Whether the bureau did or did not make an effort to control fluctuations in flax, or did or did not attempt to modify freight rates, does not sustain the Government's contention as alleged in the bill of complaint and now argued in its brief, that the Sherwin-Williams Company joined the bureau to carry out a combination or conspiracy in restraint of trade. Mr. Martin was testifying as to why his company joined the Armstrong Bureau, and there is nothing in the record that contradicts in any way the

truth of his statement, but the Government by innuendo tries to cast a cloud on such a statement and insinuate that the statement is not true and that the purpose of joining was an unlawful one. Further, it is a matter of record in this case that Mr. Nolan, Sales Manager of the National Lead Company, a defendant herein, was head of an organization whose efforts were devoted to the building up and greater development in the growing of flaxseed. Further, an examination of Mr. Martin's testimony as quoted above will show that his Company did not join the bureau to get it and its members to modify freight rates, because most people know such a thing can only be brought about, not by conspiracy or by combination, but by application through the Interstate Commerce Commission.

What Mr. Martin was referring to probably was the difference between freight rates or freight conditions on linseed oil as compared with other commodities.

In connection with the Sherwin-Williams Company's reasons for joining the bureau, it is interesting to read Mr. Martin's letter of March 13, 1919 (R429), stating that his company uses all of the oil it crushes in its own factories. It is common knowledge that Sherwin-Williams is one of the largest users of oil in the world, as paint manu-

facturers. It would seem somewhat improbable that they would join any organization for the purpose of enhancing or fixing prices for a material which many times they had to buy in the open market, and seldom, if ever, sold.

F. Carlton Smith, of the Minnesota Linseed Oil Company, on cross-examination testified that:

> "Our company joined the Armstrong Bureau to get accurate market information, by which I mean to know what the market conditions were and what prices were.
>
> "Q. Well, why did you want to know about the market prices?
>
> "A. So that we could do business intelligently.
>
> "Q. Do you follow the market at all in making your prices?
>
> "A. One has to follow the market when they sell, Mr. Mitchell."

and the Attorney for the Government replied:

> "Well, that was my impression. * * * I am glad that you have the same one I have." (R110.)

Louis M. Leffingwell, of the Northern Linseed Oil Company, testified:

> "Before we became affiliated with the Armstrong Bureau, I, of course, tried to ascertain the prices at which our competitors were sell-

ing their products. One way was through brokers making quotations, and having the customer come back and say that somebody, perhaps mentioning the name, had quoted a lower price than ours. The advantage in getting the information from the Armstrong Bureau was that that information was correct and we could rely upon it." (R111.)

And in addition to what the Government quotes on pages 143-144 of its brief, as the testimony of Mr. Nolan, which is in fact the testimony of Mr. Leffingwell, is added the following:

> "The advantage of joining the bureau was that we got correct information, and by market information, I mean *all subjects* pertaining to the industry that we brought up at these meetings, such as bags, and press cloth, and how we operated everything along manufacturing lines. By the term market condition, I mean everything that pertains to the linseed oil trade." (Italics ours.) (R113.)

This latter statement of Mr. Leffingwell does not at all indicate that his company joined the Armstrong Bureau for the purpose of entering into a conspiracy or combination to artificially affect prices.

The testimony of Mr. Quine of the American Company as to why that company joined the Armstrong Bureau needs no comment except to say that

the statement of the Government in its brief on page 144, that

> "Their pretended claim that such information could have no effect, referring to the information as to what others were doing, is entirely beside the record."

No one has made any statement so far as we can ascertain from the record that information as to what others were doing in the industry was not of some value in the intelligent carrying on of business by members of the industry. The testimony of the defendants in the lower court was to the effect that the market information through the bureau being accurate and reliable, it was of aid in intelligently conducting the business of the individual subscribers. We contend now that it was of benefit for the purpose of placing at the disposal of the subscribers to the Bureau the true conditions pertaining to the flaxseed market and the linseed oil market as rapidly and as often as the information became available through the bureau. The purpose and intent of assisting the individual subscriber to so conduct his business was that wasteful and destructive practices would be guarded against to the end that the buyers and consuming public would be treated in a fair, upright and business-like manner.

And we contend that the entire record throughout shows that the course of conduct of the defendants was at all times pointed in that direction. The market letters referred to in the Government's brief and set out in the record were the result of information both reliable and unreliable coming to the individual subscribers and passing through the bureau in order that practices which were being or might be indulged in contrary to the letter and spirit of the provisions of the contract with the Armstrong Bureau might be eliminated; that the practice of fair dealing toward competitors might be followed; and in those instances referred to in the market letters there is not a single statement or intimation that any subscriber was to regulate his business in accordance with the practices followed by other subscribers or upon the basis of any resolution or recommendation passed at the meetings of the Linseed Oil Council. There is no testimony in the entire record that the Bureau ever had in mind or the subscribers ever intimated, orally or by letter, that each individual crusher was not free at all times to conduct his business as he saw fit if he joined the Armstrong Bureau, or continued to be a subscriber to the services as offered by the bureau in the contract (Government Exhibit 2).

What the individual subscribers had in mind when they joined the Armstrong Bureau, and what they hoped to obtain from the Bureau's service can only be ascertained from their testimony why they joined and what they did after they became members of the bureau. Theories, innuendoes or statements based on suspicion as to why the defendants joined the Bureau have no place in the presentation of this case to the Supreme Court of the United States. The Government and the defendants must stand or fall on the record as now presented to this court, and that we assert with all sincerity we are willing to do. We have not attempted in this brief to present to this court a glorified picture of the services of the Armstrong Bureau to the defendant crushers that is in the far distant fog of obscurity or that is existant only in the mind of a theorist.

All the statistical exhibits offered in the record by the Government with the exception of the one issued by the Bureau of Census (No. 8) were prepared and submitted to the Government not at its requests or demands, but in order that the lower court might have before it the actual bona fide plan and operation of the Armstrong Bureau. This data was prepared by the bureau and given the Government for the reason that the defendants had a firm belief in their own honesty and sincerity of purpose, and desired that all the facts and circum-

stances surrounding the operations of the Armstrong Bureau should be presented to the court, in such a manner that no doubt would exist as to the legality of their activities. In presenting the picture to this honorable court we are actuated by the same sincerity as prompted us in the lower court. We state with all the emphasis at our command that we have endeavored to present our case before this court on the record as it stands, without theories or innuendoes, in the hope that when this court has finally passed upon the entire case, we may feel that nothing has been left undone to show the court that the activities of these defendants were based upon sound economics and lawful purposes.

The Government in the lower Court and in its brief presented to this Court placed much stress on the expression "stabilized market," as used by the Council in advertising matter, Ferry's book, and statements of some of the witnesses, and would have the Court believe that the term means nothing more nor less than "stabilized or uniform prices." If this contention be sound, then the crusher defendants while operating through the Armstrong Bureau fell far short of the mark for the reason that as Government Exhibit 3 will show, there was a competitive spread in the spot prices quoted by the crushers for a period of approxi-

mately two-thirds of the time the Linseed Oil Council was in active operation. The spot competitive spread in price was as great as twenty-seven cents per gallon in a single day, and long after the Council was in operation there were many times when the spot spread was 17 to 19 cents in a single day. The Government's Exhibit 4, Table of Future Quotations, shows even a wider spread in the future prices quoted, for a long period of time the spread in the future price often going above 25 cents a gallon in a single day.

In its brief (page 145) the Government states that "the excuse given by the witnesses, and especially by the experts, for the existence of the bureau, is that it merely 'stabilizes' prices and preserves 'constructive' competition."

This is the first intimation that any representative of the bureau or subscribers had an excuse for the existence of the bureau. From the beginning we have contended and now assert that the service of the bureau was in the interest of a stabilized market, but not "stabilized or uniform prices" brought about by agreement or concert of action on the part of its members. Furthermore, from a reading of the testimony of the representatives of the crusher defendants it is doubtful if any member joined the bureau with the thought in mind that the services of the bureau were to bring

about a stabilized market. It is of record that the crushers joined the bureau primarily to obtain accurate market information, the lack of which they testified worked a hardship in economically and efficiently conducting the linseed oil business. Many definitions of what a stabilized market is were offered by representatives of the crushers, Ferry and Armstrong. From these definitions the Government is attempting to show, and would have the Court believe, that the crushers had in mind "uniform prices." The statements of the crushers, however, as to what a "stabilized market" is, do not support the contentions of the Government, and we assert that the wide spreads in prices quoted by the crushers both for spot and future oil completely defeat the Government's argument. The testimony of Samuel Mairs, of the Archer-Daniels Company, as to a stabilized market is as follows:

* * * * * *

"Q. What do you understand to be a stabilized market?

"A. As I understand it a stabilized market is a market where the demand for linseed oil would not exceed the supply of flaxseed.

"Q. How is a stabilized market brought about in the linseed oil industry? Do you know whether it has ever been brought about?

"A. No; I don't know that it has been

brought about, except—well, a stabilized market—if there is any bigger demand for the oil than for the flaxseed it would tend to keep the market about on the same level.

"Q. If you have accurate information of all the conditions in the industry, the consumption of oil in different portions, the price of the flaxseed, and the conditions of the flax crop, if everyone has that information, does that have a tendency to stabilize the market?

"A. I should judge it would; yes." (R78.)

And on cross-examination he testified that—

"I do not know whether stabilization of prices had anything to do with our interests in the bureau; it might have had. (R80.)

The testimony of William O. Goodrich of the Goodrich Company on stabilization is as follows:

"Q. Do you know of any method by which the exchange of market information through the Armstrong Bureau could in any way lessen competition?

"A. No, sir. If you mean by that it had a tendency to stabilize prices, I must say that I do not think it had the slightest. I do not believe that it is possible to stabilize prices in a business like ours, where there is a wide fluctuation in the raw material, often as much as 50 cents in a day, thereby causing the most erratic changes in value. It is quite impossi-

ble to talk about stabilizing prices. You can not do it; there is no such thing possible." (R97.)

Mr. Hirst of Hirst & Begley, testifying on cross-examination as to the effect the exchange of information through the bureau had on prices, states:

"Q. Now on a rising market—of course in a general way, when the price of flaxseed goes up, the price of linseed oil goes up? Anybody can see that. Now, what was the effect of the exchange of prices through this bureau, when there was a rising flaxseed market? What effect did the exchange of prices through the bureau tend to have on the prices of linseed oil?

"A. I can only answer for myself as to the effect of the interchange of prices on the price of linseed oil during a rising flaxseed market. When I saw the flaxseed market advancing I hedged all my transactions, buying flaxseed as I sold oil so as to keep my tracks covered. We had to use a good deal of discrimination or of judgment to determine whether a rising flaxseed market was speculative or not. If it was a legitimate advance created by a demand for oil or for cake, we then looked for an advance in the linseed oil market.

"Q. Oh, yes, I can quite understand that. That would obtain whether there was a bureau or not?

A. Yes. (R148.)

* * * * * *

"Mr. Mitchell. Now, with that background for my next question; that is, a rising market, for reasons which you would consider profitable, given those tendencies to create, possibly, an advance in the price of oil; now, in connection with that, what would be the effect, speaking now from your observations, when you are a member of this council, and in the business, what would be the effect of this continued interchange of price lists amongst the crushers, through the Armstrong Bureau? Would that have a tendency to help the price of linseed oil up?

"A. Well, I want to be as sensible as I can in my reply.

"Q. Please do.

"A. And if you would suggest the effect that it might have on the market, I would like to say yes or no.

"Q. Yes, I would suggest to you that it did have the effect— * * *

"A. I can answer your question, I think.

"Mr. Mitchell. All right.

"A. So far as I am personally concerned, the interchange of price lists among the crushers would have no effect on me whatever except as I said that as the price of flaxseed advanced I would look for an advance in the price of linseed oil, provided there wasn't an advance in the price of cake in the meantime.

Very frequently an advance in cake will offset any advance in the price of flaxseed without effecting the price of linseed oil.

"The Court. Q. Well, where would you look for this advance? You said that if flaxseed went up you would look for an advance. Now, where would you expect to see it? Inside of your own establishment, or inside of the bureau?

"A. Your Honor, I got practically all of my information from the trade before I got it from the bureau.

"Mr. Mitchell. Q. Now, speaking of your observation, not only of your own business, but what you see reported through the bureau of the prices of all of the crushers, and speaking as a man familiar with the business, did not this interchange of price lists through the bureau have a tendency to help the price of linseed oil up?

"A. It might have done so, as far as the other crushers were concerned, but, Mr. Mitchell, that had no effect on me whatever, and I can only answer for myself." (R.149.)

Mr. Armstrong on cross-examination testified with respect to a stabilized market, as follows:

"* * * I call a stabilized market a market in which competitive prices operate upon the law of supply and demand plus the knowledge of individual costs in the market un-

affected by the wide fluctuations that obtain from misinformation." * * *

"In my ideal a constructive competitive market shown graphically would be a broad band or ribbon right across the chart. That would show a range in price which might be of 10 or 15 cents a gallon. The daily competitive range would be there, but the great high peaks and depressions that are the result of misinformation would be cut out. I do not suggest that it is our idea to produce a range in linseed oil prices of from 10 to 15 cents a gallon, through our operation. It would not be possible to do that. Indeed, we are not aiming to produce a range in prices at any given time. I think that it is doing me an injustice to consider that I said that members should not undersell each other, because that is the history of this business. We are not working together for the purpose of inducing them to undersell one another, but I am working to bring them to a point where they will not take hearsay evidence as indicative of their competition, but they will take the true facts and will meet competition as their business conditions permit." * * * (R144-145.)

From the above it will be seen that the bureau and its members did not have in mind any conspiracy or combination to bring about uniform prices in the linseed oil industry, but were at all

times endeavoring to secure the fullest accurate market information pertaining to the industry for the purpose, and only for the purpose, of intelligently carrying on the business of the respective concerns. The members of the bureau, Ferry and Armstrong, were examined not only by counsel for the Government in the lower Court, but Judge Carpenter also searchingly questioned them with respect to the expression "stabilized market," and below is quoted that portion of his opinion relative thereto:

> "But it is charged by the Government that the defendants themselves claim that the effect of the bureau was to stabilize prices. That is to say, as a result of accurate and instant knowledge on the part of producers, the price of linseed oil instead of varying sharply from day to day, as shown by the sales made, assumed an average price without the deviations. If these deviations before had been the result of real competition, based on accurate knowledge by the producers of the real market conditions, then the Government is far from sustaining its contentions. The defendants, however, have shown, and their evidence is uncontradicted, that the deviations before existing were caused by the individual producers endeavoring to meet prices of their competitors which had never been made; and it is common in the trade for buyers to make

false representations as to the prices made by other producers. Surely, such a condition is not the one that the Sherman Act aims to foster.

"The Government was greatly disturbed by a statement in the Defendant Ferry's books that the Armstrong Bureau brought about a stabilized market. This expression seems to have been a great bugaboo. Counsel for plaintiff would have the court believe that the term 'stabilized market' means nothing other than uniform prices. Whatever the proper definition of the phrase, the record does not show that there was a stabilization or uniformity in prices."

"The defendants contend, and I agree, that the term 'stabilized market' means the obtaining and distributing of any accurate information that would enable crushers and buyers of linseed oil the better to understand the conditions of the flaxseed and oil market, to the end that the speculative hazards which formerly had worked injury to both seller and buyer would be minimized and eventually eliminated, and the economic law of supply and demand be more intelligently put into operation."

FLUCTUATIONS IN FLAXSEED PRICES, REPLACEMENT COSTS AND LINSEED OIL PRICES.

Not only did the defendant crushers testify that the price of linseed oil followed the flaxseed mar-

ket, but buyers of linseed oil, called on behalf of the Government and the defendants, testified to the same effect. The Government, however, would have the court believe that because fluctuations in flaxseed prices were far more frequent and violent than were the fluctuations in the prices of linseed oil, the law of supply and demand was not permitted to function freely by the bureau and its members. There is no evidence in the record, however, to show in what way, if any, the defendants prevented the law of supply and demand from operating freely, unless it be contended that the mere exchange of accurate market information through the bureau was a means adopted to bring about that result. The Government assumes that because prices of a product decline at a slower rate than the decline in the prices of raw material, this result must have been produced through artificial means and by concert of action. We contend, however, that the price of any finished product will decline more slowly than the price of the raw material, for the reason that if there is a supply of finished material on hand, the raw material of which was bought at a higher price, it is natural for the manufacturer to endeavor to dispose of the finished product at prices not predicated on the declining price of raw material, but at prices predicated on the higher cost of raw material which he

has already bought. Until the supply of such finished material is disposed of no decline in price may be expected, particularly if the demand for the finished product is at all normal. Again, if the price of the raw material starts a rapid advance the production of finished material will be lessened, with the result that the price thereof will also rapidly advance. These are economic factors common in other industries. That is why, we assert, Government Exhibit 6 (a chart) shows that at times the market on linseed oil did not always decline as often and as rapidly as the price of flaxseed. On the other hand, we assert that the chart shows that the defendant crushers were selling linseed oil at times when the cost of replacement was greater than the prices quoted, and we would call the court's attention to the fact that this chart was checked by James F. Terry of the Department of Justice and O. K.'d by him as being correct. (R51.)

PUBLICITY.

There is nothing secret about the activities of the bureau in connection with its service to clients. The book entitled "Intelligent Selfishness a Business Builder" (Government Exhibit 13) was widely distributed by the bureau and the Linseed Oil Council to buyers and consumers of oil. All trade journals for the industry carried full-page advertisements telling of the affiliations of the lin-

seed oil crushers with the Armstrong Bureau, and meetings were held in several sections of the United States with buyers and consumers of linseed oil, at which Armstrong or Ferry discussed fully the operations of the bureau and answered all questions put to them with respect thereto.

It is the record that throughout the entire operation of the Linseed Oil Council prices of members were first given to the trade before transmission to the bureau and by it to the other crushers. This at all times placed in the possession of buyers first-hand information as to all changes of prices being made by the respective crushers. It was also testified by buyer witnesses called by the Government that they kept posted on the flaxseed market, and it seems peculiar that if the exchange of price information by the bureau was unreasonably enhancing prices, no evidence was offered by the Government from buyers to this effect.

It is a matter of record, however, that buyers called by the Government and the defendants testified that they thought the prices quoted by the crushers were not out of line with the flaxseed market.

The following are quotations from the record showing some of the methods used by the bureau to advise buyers and consumers of the activities

of the Linseed Oil Council, and letters from buyers in reply thereto:

DEFENDANT'S EXHIBIT 20. (R732.)

The first institution of its kind.

[Lettering on design:] Armstrong Bureau of Related Industries, whose products, manufactured, marketed, and sold in strict accord with a spirit of fairness to employee, competitor, and purchaser, need no greater surety of supreme quality.

WHAT IT DOES.

The Armstrong Bureau of Related Industries, founded on the principle that American business can reach its highest development and perform its greatest service to the Commonwealth only through modern, cooperative methods—renders a professional service by which competitive businesses attain maximum results through cooperation in the following factors:

Organization—

1. Creation of mutual confidence.
2. Development of ideals.
3. Consolidation.

Pertaining to marketing—

1. Statistics—
   (a) Quotations.
   (b) Sales.
   (c) Shipments.
   (d) Production.
   (e) Terms.
2. Credits—
   (a) Reports.
   (b) Collections.

3. Distribution—
   (a) Standardizing channels.
   (b) Establishing bases.
   (c) Salesman education.
   (d) Jobber education.
   (e) Dealer education.
4. Export—
   (a) Markets.
   (b) Selling.
   (c) Tariff.
5. Traffic—
   (a) Classifications.
   (b) Rates.
6. Market development—
   (a) Field survey.
   (b) Organizing channels.
   (c) Merchandising.
   (d) Cooperative advertising.

Pertaining to production—

1. Cost accounting.
2. Product.
3. Material—
   (a) Supply.
   (b) Standardization.
   (c) Cooperative buying.
4. Labor—
   (a) Supply.
   (b) Wages.
   (c) Control.

DEFENDANT'S EXHIBIT 23. (R734.)

(Advertisement.)

ELIMINATION OF UNFAIR COMPETITION AN IMMEDIATE TASK FOR AMERICAN BUSINESS.

A New York manufacturer stated that it is quite common practice for bankers discounting his commercial paper or that of his competitors to call upon him for a statement of business conditions

throughout the industry. It interested him to note their favorable reaction to his statement that through a system of lawful cooperation the industry had fairly stabilized its market and eliminated unfair merchandising practices.

It seems to be definitely proved that such a statement of facts has intimate bearing on the loan rate, and sometimes on the question of whether the paper should be handled at all.

Business prosperity is closely linked with credit, and here we find credit directly influenced by business cooperation.

The prosperity of the individual merchant and manufacturer is directly affected by the prosperity of his fellow merchants and manufacturers; whether they are competitors does not affect the argument.

The manufacturers of linseed oil, who are members of the Linseed Crushers' Industrial Council, through their cooperation, are correcting unsatisfactory conditions in their industry and delivering a substantial service to the public, to their trade, and to themselves.

Users of linseed oil will receive a comprehensive explanation of the cooperative activities of this group of manufacturers by writing for the book, "Intelligent Selfishness a Business Builder." A personal visit to the address below for the same purpose is cordially invited.

Call or write Linseed Crushers' Industrial Council, directed by the Armstrong Bureau of Related Industries, 11 La Salle Street south, Chicago, Ill.

DEFENDANT'S EXHIBIT 24. (R735.)

OUR FORMULA FOR LAWFUL AND CONSTRUCTIVE CO-OPERATION

Business men and the consuming public should recognize that lawful and constructive co-operation has nothing in common with "price fixing."

We believe the future prosperity of American business demands that lawful and constructive co-operation be instituted in all of our industries.

The unfair and unsatisfactory conditions which prevail in an unorganized industry impose an unjust burden upon the manufacturers and the trade of that industry.

No business institution can afford to shirk its share in the necessary co-operative "housecleaning" of its industry.

In an unorganized industry public service results can obtain only in a minor degree, through the unselfish efforts of possibly two or three manufacturers in the industry who have the disposition and power to deliver such results in their individual operations.

Organized under a lawful and constructive co-operative plan, an industry delivers full and complete public service.

The formula for the co-operation of the Linseed Crushers' Industrial Council provides that every feature of our work shall deliver equally at all times a service to the industry, the trade, and the public.

A comprehensive explanation of the co-operative activities of this group of manufacturers may be had by writing for the book "Intelligent Selfishness a Business Builder," which will be sent gratis, or a personal visit for the same purpose is cordially invited.

Address Linseed Crushers' Industrial Council, directed by the Armstrong Bureau of Related Industries, 11 La Salle Street south, Chicago, Illinois.

Publications carrying this advertising:

Paint, Oil & Drug Review.
Painter and Decorator.
Drugs, Oils & Paints.
Oil, Paint & Drug Reporter.
Paint and Varnish Record.
American Paint Journal.

DEFENDANT'S EXHIBIT 22. (R733.)

PRICE DISCRIMINATION.

When a seller gives preferential prices to a few hand-picked buyers, all buyers should drop him like a hot penny. He is a destructive factor in business.

When a seller quotes a fair price uniformly to his entire trade with suitable discounts for quantity, he is fairly serving all buyers and represents a constructive factor in business.

All business consists of buying and selling; the unfairness of price discrimination must be universally recognized, either from a purely selfish standpoint or in the broader sense of its demoralizing effect on American business.

The elimination of "price discrimination" is only one of the constructive accomplishments of the lawful co-operative work of the Linseed Crushers' Industrial Council through the service of the Armstrong Bureau of Related Industries.

These manufacturers of linseed oil are continually working to improve conditions in their industry and increase their service to their trade and to the public.

Users of linseed oil will receive a comprehensive explanation of the co-operative activities of this group of manufacturers by writing for the book "Intelligent Selfishness a Business Builder," or a personal visit for the same purpose is cordially invited.

Call or write Linseed Crushers' Industrial Council, directed by the Armstrong Bureau of Related Industries, 11 La Salle Street south, Chicago, Ill.

DEFENDANT'S EXHIBIT 3. (R682.)

LETTER TO LARGE OIL BUYERS.

[Armstrong Bureau of Related Industries.]

May 13, 1920.

From: Julian Armstrong, Armstrong Bureau of Related Industries.

To: Mr. L. H. Fehsenfeld, General Products Company, Baltimore, Md.

Subject: Co-operation among "sellers" which is of direct service to buyers.

1. In behalf of our clients, the manufacturers of linseed oil—members of the Linseed Crushers' Industrial Council—it is now possible for us to send to you a full and complete explanation of the operations of this service and the co-operative activities of the council.

2. This explanation is accorded through the book "Intelligent Selfishness a Business Builder," a copy of which we are sending to you personally under separate cover.

3. In the minds of progressive business men it is quite evident that if the unsatisfactory conditions which have obtained in the past throughout practically all of our industries are to be corrected we must inaugurate a system of business cooperation soundly based upon a plan which delivers a service alike to buyers, sellers, and to the public.

4. It is unnecessary for us to point out to you that under the old order of things merchandising practices have developed which are against the interests of both buyer and seller, as for instance price discrimination, where a seller makes special preferential prices to one buyer without extending those prices to the rest of his trade.

5. Again, we have instances where blind, destructive competition so depressed prices as to at less than cost. Naturally, through such an order of things service to the buyer and quality of product are necessarily lost sight of.

6. In all of its operations and its service to various industries, the Armstrong Bureau is carrying on an extensive campaign of publicity whereby its service and the operations of its clients can be clearly presented to their trade and to the public, and we unhesitatingly assure you that in all of these operations there is a concrete and clearly defined service to the public and to the trade, and we believe without that result it would be difficult to prove that co-operation is sound and constructive.

7. It is of record that adverse comments by buyers have been made only where there has been a lack of knowledge or understanding of this co-operative work.

8. The bureau and the Linseed Crushers' Industrial Council will be much interested in your comments upon this matter after you have read the

book above referred to. As Mr. Burleson's mail delivery seems a bit uncertain these days, we shall appreciate your prompt acknowledgment of its receipt upon the postcard enclosed for that purpose.

(Signed) JULIAN ARMSTRONG.

Steelcote Mfg. Company, St. Louis, Mo.
J. C. Settle & Company, St. Louis, Mo.
A. O. Wheeler Company, Pittsburg, Kansas.
F. O'Brien Varnish Works, Los Angeles, Calif.
Mechanics Paint Company, St. Louis, Mo.
George A. Johnson Company, Seattle, Wash.
Scrion & Duinn, Los Angeles, Calif.
Burgner-Bowman Lumber Co., Kansas City, Mo.
Peter Vredenburgh Lumber Co., Springfield, Ill.
J. W. Merriman, Seattle, Wash.
Hirshberg Paint Company, Baltimore, Maryland.
Hanline Brothers, Baltimore, Maryland.
Miller & Graham, Baltimore, Maryland.
Gandy Belting Company, Baltimore, Maryland.
H. B. Davis Company, Baltimore, Maryland.
Hugh Reilly Company, Washington, D. C.
P. A. & S. Small Company, York, Pa.
S. M. Bloom & Company, Hagerstown, Maryland.
W. D. Byron & Sons, Inc., Williamsport, Md.
W. H. Butler Company, Washington, D. C.
L. H. Friedman, Seattle, Wash.
William Rademacher, Winona, Minn.
Heath & Milligan, Chicago, Illinois.
T. B. McDonald, San Diego, Calif.

McPhee & McGinnity Company, Denver, Colo.
Standard Textile Products Company, Rock Island, Illinois.
Attastic Pt. Mfg. Co., Minneapolis, Minn.
Bennett Glass & Paint Company, Salt Lake City, Utah.
C. H. O'Neil & Sons, Milwaukee, Wis.
Penna Consumers Oil, Council Bluffs, Iowa.
J. I. Porter, Stuttgart, Ark.
Preservative Pt. Company, Seattle, Wash.
J. S. Rogers & Company, Pittsburg, Kansas.
Sillers Varnish Company, Los Angeles, Calif.
St. Paul White Lead & Oil Works, St. Paul, Minn.
Tacoma Paint & Wallpaper Co., Tacoma, Wash.
Brinninstool Company, Los Angeles, Calif.
California Glass & Paint Company, Los Angeles, Calif.
Cook Paint & Varnish Company, Kansas City, Mo.
Farwell, Ozmun Kirk Company, St. Paul, Minn.
Great Western Paint Mfg. Company, Kansas City, Mo.
Hackett Gates Hurty Company, St. Paul, Minn.
Jones-Moore Paint House, San Diego, Calif.
James Butte Company, Houston, Texas.
McMurtry Mfg. Company, Denver, Colo.
Thoma & Son, Fairfield, Iowa.
Nelson Evans Paint Company, Omaha, Nebraska.
T. C. Esser Company, Milwaukee, Wis.
Blish Mize & Silliman, Atchison, Kansas.

Martin-Senour Company, Lincoln, Nebraska.
Patton Paint Company, Milwaukee, Wis.
National Waterproofing Company, Memphis, Tenn.
Los Angeles Wallpaper & Paint Company, Los Angeles, Calif.
Matthews Paint Company, Los Angeles, Calif.
Northern Hardware Supply Company, Menominee, Wis.
Noyes Brothers & Cutler, St. Paul, Minn.
Talbert Whitmore Co., Los Angeles, Calif.
Fairbanks Morse & Company, Chicago, Illinois.
Sears Roebuck & Company, Chicago, Illinois.
American Radiator Company, Buffalo, N. Y.
Cataract Refining & Mfg. Company, Buffalo, N. Y.
Henry Boardman, St. Louis, Mo.
A. Andren, Duluth, Minn.
Cont Oil Company, Denver, Colo.
Oakley Paint Company, Los Angeles, Calif.
Simmons Hardware Company, St. Louis, Mo.
Bradley-Wise Paint Company, Los Angeles, Calif.
A. B. Fosseen Company, Yakima, Wash.
W. P. Fuller & Company, San Francisco, Calif.
Rasmussen & Company, Portland, Ore.
Strowbridge Hardware & Paint Co., Portland, Ore.
Whiton Hardware Company, Seattle, Wash.
A. S. Johnson & Company, Tacoma, Wash.
Lion Varnish Company, Seattle, Wash.
Solastic Paint Company, Seattle, Wash.

Sunset Paint Company, Los Angeles, Calif.
Pacific Net & Twine Co., Seattle, Wash.
Bass Heuter Paint Co., San Francisco, Calif.
Pioneer Paint Company, Portland, Ore.
William Curtis Hdwe. Company, Seattle, Wash.
Foster & Klieser, Inc., Seattle, Wash.
Hickox Crampston Paint Co., Tacoma, Wash.

"Market Letter No. 1274—Flaxseed Crushing Industry—February 10, 1920

"ANOTHER ENDORSEMENT OF THE COUNCIL'S WORK BY A LARGE CONSUMER

"The writer believes that the council will be interested in the statement of one of the largest stockholders in the Glidden Company personally made to him today, to the effect that this individual was glad to hear that there would be no dissolution of the council because of the resignation of Spencer, Kellogg & Sons, Inc., which had been reported to him through the trade.

"This gentleman went on to state that as a buyer of linseed oil the stabilized market effected by the co-operative work of the council had been of very direct benefit to his company.

"These personal expressions, as already reported, have been pretty substantially duplicated by other large buyers of oil.

"JULIAN ARMSTRONG."

(R594-595.)

Louisville, Ky., April 14, 1920.

"LINSEED CRUSHERS' INDUSTRIAL COUNCIL,
11 La Salle Street, south, Chicago, Ill.

"Gentlemen: Have noted in the April issue of the American Paint Journal your statement as to the quoting and selling of linseed oil as directed by the Armstrong Bureau.

"Would appreciate if you send to the writer the book 'Intelligent Selfishness a Business Builder.'

"The writer handles the linseed oil for this concern and am very much interested in the work of the bureau, which has been a factor in the stabilizing of business.

"We regret to learn, however, that Spencer Kellogg & Sons have withdrawn.

"Thanking you in advance for your kind attention, we remain,

"Your friends,

"PEASLEY GAULBERT CO.,
(Sgd.) "C. WATKINS."

(R766.)

"Richmond, Va., May 18, 1920.

"ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

"Gentlemen: We acknowledge receipt of the book 'Intelligent Selfishness a Business Builder,'

and beg to thank you for having sent same to us. The contents of this book are well worth the serious reflection of every business man, and I shall see to it that those connected with this concern in positions of responsibility have the opportunity of reading same. I am sure the book will do good and be of much benefit to the trade generally.

"Again thanking you for sending it to us, we are

"Yours very truly,

"HARWOOD BROS., INC.,

(Sgd.) "W. T. SHEPHERD,

"Vice President."

(R767.)

"New York, May 21, 1920.

"ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

"Gentlemen: The book referred to in your letter of May 14th has just reached us and the writer will take the first opportunity to read all the chapters. We are heartily in sympathy with your aims and while many manufacturers may not feel like going to the limits advocated, we feel that they will do so when they are made to realize that intelligent selfishness is an aid to business.

"Yours very truly,

(R767.) "TOCH BROTHERS."

"East Boston, Mass., May 26, 1920.

"ARMSTRONG BUREAU OF RELATED INDUSTRIES,
Chicago.

"Gentlemen: The book 'Intelligent Selfishness a Business Builder' was glanced over in a casual manner upon receipt and laid aside for more careful reading, which accounts for the delay in acknowledging your letter of May 12th.

"The principles covered in your book are certainly interesting and the opportunity for cooperation along the lines indicated seem broad, with results that should certainly be desirable all around.

"The writer is under obligations to you for the opportunity of becoming acquainted with your plan.

"Very truly yours,
"ACME WHITE LEAD AND COLOR WORKS,
(Signed) "C. J. LANDEN."

ARGUMENT

At the beginning of the Government's argument (page 155 of its brief) it contends:

> (1) That the purpose of the combination between the defendants was to eliminate competition between the defendant manufacturers as to prices and practices by—
>
> (a) Making uniform the practices incident to the marketing of their products.

(b) Continually keeping each other informed as to their prices.

(c) Subjecting themselves to a searching examination as to every transaction.

(2) That the necessary result of the operation of the system was:

(d) A very substantial increase in the prices of linseed oil over what they would have been had the naturally competitive conditions continued.

(3) That the evidence conclusively shows:

(e) That the intended and natural result of the system was fully accomplished.

At the outset we deny that there is any evidence that a combination of any kind existed between the defendants to bring about any unlawful result in the linseed oil industry.

We will now take up the contentions of the Government set forth above.

(1) The elimination of competition as to prices and practices.

John A. Mann, a defendant crusher, testified:

"* * * There was never any arrangement or agreement or obligation on my part due to affiliation with the Armstrong Bureau to confine my business to any particular territory. We were perfectly free to sell anywhere we wanted on the face of the earth. There was never any suggestion hinted that we or

anyone else in the industry should curtail production, or any intimation, arrangement, or agreement that there should be any lessening of competition at any time. There was not at any time any lessening of competition. The state of competition during the existence of the Armstrong Bureau was just the same as compared with the time previous to my affiliation with it. Along in 1918 there wasn't as much linseed oil produced, because we couldn't get the labor and the raw materials to produce it." (R72.)

On cross-examination Mr. Mann testified:

"It was not practical for us to send oil to Chicago. We were too far away from it and the prices here were such that it was not to our interest to sell in Chicago. * * * We sold in zone 2 and do sell in zone 2 now. My explanation is that we would meet competition in that zone to get business wherever it was or even go lower." (R73.)

George F. O'Neil, a buyer, testified:

"As quotations came to me I entered them in a list and kept that from time to time for reference." (R73.)

This list was offered in evidence as Defendant's Exhibit 1. (R676.)

Mr. O'Neil further testified:

"Q. I want to ask you this: What does it show generally as to competition?

"A. Why, it shows a difference in prices from the different ones on the same date in a great many instances, and in some instances the difference is much greater than others. In some instances there is probably no difference.

* * * * * *

"My recollection is that there was a difference in the different quotations for linseed oil after October, 1918, just the same as before that date." * * * (R74.)

It is significant that the cross-examination of this witness by the Government was very brief and entirely unrelated to the question of prices or competition. (See R75.)

Samuel Mairs, of the Archer Daniels Linseed Company, testified as follows:

"Q. Where you sell to a man, for instance, in zone 6, who is immediately beyond the line of zone 6, what arrangement do you make with him?

"A. We would sell to him at our zone one price, any price that would be cheaper to him." (R79.)

William O. Goodrich, President of the Goodrich Company, testified:

"I, in fact, always competed while affiliated with the Armstrong Bureau, the same as I competed previously or afterwards. * * *

> When there is a prospective customer who I think would be an advantageous customer, I usually try to quote him a price that will sell him. * * *" (R94.)

On cross-examination, Mr. Goodrich testified:

> "The Philadelphia incident was not the only transaction where I undersold my competitors. I needed money, or I would not have made the price, but I did that very frequently. When I had the stock and needed the money I made the price that would give me the customer, and what anybody else's price was had no bearing on the question." (R99.)

Goodrich further testified that when he purchased Argentine seed and shipped it to New York from Milwaukee—

> "It really resulted in cutting me out entirely in the eastern market. I was no longer able to compete, but it was quite right that New York should be made the base." (R96.)

Could a more frank and honest statement be made as to competition between the defendant crushers?

Daniel A. Murphy, a buyer, testified:

> "Q. Were the quotations as you obtained them after September, 1918, always the same?
> "A. No, sir; * * *.

"Q. Did that state of affairs indicate to your mind that there was active competition in the market between the crushers for your business?

"A. Yes." (R102-103.)

There was no cross-examination of this witness as to competition.

John E. Thomas, a buyer, testified:

"Q. State whether or not you found any difference in the quoting of prices to you during the regime of the Linseed Oil Council and prior thereto, and subsequent thereto? Was there any material difference between the quotations—that is, as to spread?

"A. No, not very—there was no material difference. * * *

"Q. Will you state now, from your experience as a buyer over many years, whether or not the operation of the Linseed Oil Council under the Armstrong Bureau worked an unfair burden upon you as a buyer?

"A. I do not feel that it did." (R104.)

No cross-examination at all of this witness appears in the record.

George A. Martin, representing the Sherwin-Williams Company, manufacturers of dyes, insecticides, paints, varnishes, and other things, and crushers of linseed oil, testified:

> "We sell very little linseed oil to the large consumers or to the same class of trade as the other crushers." (R104.)

Mr. Martin testified that his company had a producing capacity of about 30 or 40% of their requirements (R104), and that his company was among the largest buyers of linseed oil in the country. (R105.) Does it seem plausible that under such circumstances this company would have entered into a combination or conspiracy to enhance or retard the lowering of prices of linseed oil?

Herbert L. Baumgardner, a buyer, testified on cross-examination by the Government that:

> "Before the Armstrong Bureau was formed we found fluctuations in prices from time to time as we inquired for them, and we found changes in prices after the bureau was formed. We did not find that the market was somewhat more stable after October 19, 1918." (R108.)

F. Carlton Smith, manager of the Oil Department of the Minnesota Linseed Oil Company, testified that:

> "There never was any attempt on my part at any time to follow the leadership in the market of any other crushers." (R108.)

"We sometimes cut prices to meet competition when we might want to sell oil." (R109.)

No cross-examination of this witness as to agreed competition appears in the record.

Louis N. Leffingwell, a crusher, testified:

"Q. Do you sell your product in all zones of the United States?

"A. No, we do not. * * *

"Q. Why is that?

"A. On account of the freight rate being higher, we are not in a position to compete with the Eastern mills that crush Argentine seed as a usual thing." (R111.)

Frederick K. Quine, sales manager of the American Linseed Oil Company, testified that:

"We many times cut under the prices that were quoted by our competitors, our position in that respect depending entirely upon the ordinary market position with relation to the amount of oil which we had on hand for sale, or the amount of oil we had for future delivery." * * * (R115-116.)

(a) Making uniform the practices incident to the marketing of their products.

We assume from this statement that the Government is referring to zone differentials and terms of sale.

John A. Mann testified that the zone differentials were adopted by the bureau before he joined, but that his company had had substantially the same practice for years, and "we could change them at any time we saw fit." (R71.)

Mr. Mann also testified that during the years that he had been in the linseed oil business the terms of sale had been thirty days net, or 1 per cent off in ten days, and that he did not think his company ever received trade acceptances more than two or three times since it had been in business, and "then, it was simply granting the buyers' request." (R72.)

Mr. Goodrich testified that for the last twenty years the terms of sale had been thirty days and 1 per cent off for cash in ten days, and that such conditions of sale were not any different during the period of the operation of the bureau than they were at other times; that "there were some recommendations made with reference to trade acceptances. I never tried to impose them on any of my customers." * * * We are still using trade acceptances in probably 75 per cent of our business which is not discounted for cash." (R94-95.)

On cross-examination Mr. Mann testified:

> "There was not to my knowledge a resolution doing away with the fraction of the cent, but I would not deny it if it appeared in

> the minutes of the meetings. I actually quoted fractions of a cent during the operation of the bureau. (R97.)

Mr. Quine testified that the terms of sale for linseed oil have been thirty days net and 1 per cent off for cash in ten days; that the bureau suggested and he attempted to put in a change of terms which was thirty days net and 1 per cent off for cash in ten days to net cash terms, but he did not think the terms were at any time universally applied for the reason that it was impossible to do so; that his company has used trade acceptances and the bureau's service did not change that in any way. (R116-117.)

(b) By continuously keeping each other informed as to their prices.

We make no denial of the fact that during the operations of the Linseed Oil Council there was bulletined through the bureau information as to the prices quoted by the respective defendant crushers, but only after such price quotations had been given to the trade. We assert, however, and the record shows, that this exchange of quotations, which related solely to past transactions, was not for the purpose, nor had the effect, of artificially enhancing, fixing or retarding the lowering of any price that had been filed with, and bulletined through, the bureau, or any other price.

(c) Subjecting themselves to a searching examination as to every transaction.

This contention, we assert, is entirely unsupported by the record and has been fully covered in other portions of this brief.

2. That the necessary result of the operation of the system was:

(d) A very substantial increase in the prices of linseed oil over what they would have been had the naturally competitive conditions continued.

We feel that this court will take judicial notice that at the time the Linseed Oil Council was functioning through the Armstrong Bureau the prices of practically all commodities had arisen to, or were approaching, the peak of high prices. Further, we assert that the statistical data in the record shows that the prices quoted by the defendant crushers were on a parity with the prices of flaxseed; that the prices quoted for linseed oil at times was less than the cost of replacement, not taking into account administrative and executive costs.

We further assert that there is nothing in the record to prove that the price of linseed oil would not have gone very much higher if the defendant crushers had not been receiving intelligent accu-

rate market information through the Bureau, but there is evidence to the effect, and offered by witnesses testifying for the Government, that the price of linseed oil did not seem to be out of line with the price of flaxseed. In this connection, we call the court's attention to the fact that throughout the entire proceedings in the lower court no evidence was adduced by the Government nor attempt made by it to offer any testimony to the effect that the defendant crushers had made unreasonable profits during the period of the existence of the linseed oil council, nor is there any record at all that they made even a fair profit from the finished product.

3. That the evidence conclusively shows:

(e) That the intended and natural result of the system was fully accomplished.

If the Government means by this contention that the exchange of market information to the defendant crushers by the bureau artificially affected prices, or tended to an agreement to artificially affect prices, we assert that the record does not substantiate any such contention. Further, to indicate that there was no evidence to support the contention or insinuation of the Government in its brief, that the exchange of this market informa-

tion was a plan to affect prices to be quoted by the defendant crushers, we quote below a statement of Judge Carpenter appearing at page 871 of the record in the lower court, wherein he said:

> "Now, there certainly can be no real point in this case with reference to this acting in the future or in the past, because so far as the contract of the parties is concerned it had to do with the past alone, and that has not been disputed. Everything that has to do with the future is a matter of possibility, and that you are now attempting to reach by way of deduction from the evidence; but we have no evidence that these men agreed to do something in the future.

To which Counsel for the Government replied:

> Mr. Mitchell: "Oh, yes, your Honor. We have no evidence that they agreed to adhere to uniform prices in the future. I make no suggestions of that kind, but the fact is that they entered into a contract—take the contract itself—."

Ralph P. Bolton, President of the Ankeney Company, testified:

> "Whenever I saw a profit on reproductive value of the seed I fixed a price to move the oil. I have at times cut below the prices filed by the other crushers." (R124.)

On cross-examination he testified:

"I never attempted to follow the market. I followed the flaxseed market. I was out to sell oil at a profit whenever I could do so on the flax market. I had no idea what any competitor was going to charge at the time our buyers got our prices, as the prices could change in ten minutes." (R124.)

Charles T. Nolan, manager of the Flaxseed and Linseed Oil department of the National Lead Company, testified:

"I purchased about 35,000 barrels of linseed oil a year for the company and the company crushes about 70,000 barrels and consumes about 50,000 or 55,000 barrels. As a large consumer of linseed oil we would be interested in any plan that would lower prices to the point, and only to the point, where it would not discourage producers of flaxseed in the United States and Canada. * * *. In my purchases of linseed oil I find a variation of prices right along." (R126.)

From the above it is evident that the National Lead Company was not a competitor of the crushers in the usual sense of the term, but was a large buyer and consumer of linseed oil. In view of this it does not seem reasonable that the National Lead Company or its representatives would have been a party to any conspiracy or combination to enhance prices or retard the lowering of prices.

The same observation applies to the Sherwin-Williams Company, identified in the record as a large buyer of oil, who could not logically or profitably engage in any plan to enhance or retard the lowering of prices for linseed oil.

J. W. Hirst of Hirst & Begley testified that

> "I have an idea that I sell about seventy-five per cent of the oil that is used around Chicago, and I keep that trade and make my sales in competition with the other crushers. (R147.)

That there was competition at all times between the other crushers and Hirst & Begley in and about Chicago is evidenced by the testimony of William Hoch, buyer of linseed oil for the Sears-Roebuck Company, who testified:

> "I have a working agreement with Hirst & Begley * * * He [Mr. Hirst] would always figure a lower price to me on account of the quantities that I bought. * * *" (R53.)

That the competition for the business of Sears, Roebuck Company was very keen between Hirst & Begley, the Goodrich Company and the Midland Company, during the time these concerns were members of the linseed oil council, is further set forth elsewhere in this brief.

In answer to a question by Mr. Mitchell, Counsel for the Government, as to whether the furnishing

of price lists through the bureau had a tendency to help the price of linseed oil up, Mr. Hirst testified:

> "It might have done so, as far as the other crushers were concerned, but Mr. Mitchell, that had no effect on me whatever, and I can only answer for myself." (R149.)

At the beginning of its argument on page 156 of its brief the Government states that "a brief recapitulation of some of the things done and incidental results accomplished in the working of the system will be helpful in estimating what was the combined effect of all of its activities."

It then goes on in its brief down to page 167, and again refers to what it considers are instances and practices brought about by agreement or concert of action in violation of the Sherman Law. At this point we again ask the indulgence of the Court for what must seem to it an unnecessarily long brief in reply to that of the Government, but its "brief recapitulation" contains so many statements not supported by the record that we feel impelled to again make specific reply thereto.

The Government at page 156 of its brief said:

> " * * * It can be plausibly argued that there was no specific agreement that the members or any number of them would sell at any time at a stipulated price. But the evi-

> dence does not admit of a doubt that the control and increase of prices so that a greater profit could be realized was the prime object of the organization, and was the actual result of its operation."

If there is any evidence in the entire record, doubtful or otherwise, that supports the above statement, the Government has failed to make specific mention of it in its brief, and it must have been overlooked by the Judge in the lower court.

The Government states (page 156):

> "The requirements with reference to statistics constitute the basis upon which the system rests."

Whatever requirements pertained to the operation of the bureau and its service to its clients are fully set forth in the service contract (Government Exhibit 1a, R169) and it speaks for itself. The Government takes the position that the quoting of prices to the trade and thereafter filing same with the bureau was not a past transaction but had to do with the future. Of course, quotations made to the trade are for the purpose of obtaining sales in the future, but the quoting of a price is a past transaction and carries with it no assurance that a higher or lower price would not be quoted immediately thereafter. See testimony of Mr. Mairs, of the Archer-Daniels Company, wherein he said,

"We could change our price every five minutes if we wanted to." (R81.)

When in its brief (pages 157-158) the Government attempts to draw conclusions from the service contract provisions covering the reporting and exchange of market information through the bureau it is evident that it has misread or purposely misunderstood those operations.

The Government at page 157 of its brief asks, "Why were they [the subscribers] required to report all cuts in prices, and not required to report sales in excess of those given in the price list?" The Government attempts to answer this question by saying "it was because they [the subscribers] were specially concerned in preventing the cutting of prices, while it was quite proper in their minds, to sell above the filed price."

It is beyond our imagination how a crusher could make sales at prices in excess of his quotations made to the trade.

The contention of the Government is not a statement of fact, as will be seen by the provisions of the service contract. (R175-176-177.)

All sales by each subscriber of oil, cake or meal and *all price information* covering his operations, be such prices up or down from his "last filed price list" with the Bureau, were reported by him to the bureau in one form or another after such action

had taken place, in accordance with the provisions of the service contract.

As the Government states in quoting from the service contract, a subscriber was required to report by wire and confirm by mail all quotations made at a variance from his last reported prices, if these quotations gave *better terms* to the prospective purchaser.

If such price revision downward, however, resulted in changing his price list to his entire trade, he merely wired advice of such changed list to the bureau and confirmed it by mail with a copy of that list. If, however, he quoted a price lower than his last reported operations, and did not then revise his price list and file it with the bureau as the contract required, how could such competitive market information be cleared and identified through the bureau except by giving the details of such quotation or sale, as required by the contract. (R176 "C" and "D.")

Any revisions *upward* in a subscriber's price list were required to be reported promptly to the bureau under provisions of the contract. (R176-"E.")

As pointed out elsewhere in this brief the council recommended that as the practice of quoting a special price to a favored buyer was an unfair trade practice in violation of Section 2 of the Clay-

ton Act (another Anti-trust Act), a special price when quoted to a favored buyer should at once apply to the particular crusher's entire trade. The practice of giving special prices to favored buyers has been many times condemned by the Federal Trade Commission, and orders to cease and desist from the use of such practice have been issued by that Governmental agency. Surely the activities of the bureau and its members to eliminate the practice of price discrimination is not indicative of a combination or conspiracy to unlawfully restrain trade and commerce. The record shows that no action was ever taken by the bureau or its members to prevent any crusher from making sales at prices lower than he had filed with the bureau, and that such special prices were quoted and sales made thereunder is shown by the testimony of William O. Goodrich in reference to a sale at a greatly reduced price to a concern in Philadelphia. (R94.) In this particular instance Goodrich did all that was required of him by the bureau and that was to report the special sale with his price to the bureau. We would call to the court's mind that this special sale was at a cut of nine cents per gallon off of Goodrich's filed price with the bureau, and that he testified that he never was criticised in any way for this transaction, and we assert that neither Armstrong, as head of the

bureau, nor any other subscriber, had the right to criticise or attempt to prevent Goodrich or any other crusher from following the same course of action with respect to his own business just so long as the terms of the bureau's contract were complied with.

It is a well-known fact that special prices to a favored buyer are in most cases made for the purpose of secretly obtaining and retaining the business of a competitor, and that usually a seller indulging in such a practice knowing that he is doing something that will bring upon him the reproach of his fellow competitors, whether in or out of an organization, plies such trade secretly in the hope that he will not be discovered. And why? Because he is ashamed of his conduct. If any member of the Council wanted to quote a special price to a favored buyer he could do so by simply reporting thereafter what he had done, just as Goodrich did, and under his service contract, neither the bureau nor the other subscribers could say nay to his action. The Department of Justice itself in its attacks on great trusts and monopolies has many times in this very court condemned the practice of special prices to favored buyers, and is it not inconsistent for a representative of that Department of the Government to be now contending in this court that because these crushers and

the bureau did not favor special prices to favored buyers, but did not agree directly or indirectly, to prevent any one from quoting such prices, and that such a fact tended to prove that these defendants were engaged in a combination and conspiracy to restrain trade and commerce? Will this court say to these defendants that we find that Judge Carpenter did violence to the evidence in the lower court and that we have come to this opinion by reason of the fact among others, that you defendants disapproved of discriminatory prices and that by openly and above-board stating to each other that you disapproved of such a trade practice, you were saying to each other, indirectly it is true, we will not quote special prices to favored buyers because it will have the effect of keeping us from putting our prices higher. We assert that is exactly what the Government would have this court say with respect to that part of the bureau's service contract which relates to the reporting of special prices to favored buyers.

Daily reports of carload sales were filed with the bureau and by it bulletined to its members. While this report shows the activity of business we call attention of the court to the fact that never did the Bureau or any of its members accompany any report of daily sales with any statement that prices ought to be higher, uniform, or lower, or that production on hand or in sight was such as

to warrant any revision either up or down in prices quoted by the respective members. All the bureau ever did with the daily sales reports was to send them to its members without any comment, marketwise, or otherwise. The weekly sales reports covering all sales regardless of size were received and bulletined in the same manner as the daily sales reports and again without comment thereon by anyone.

The Government at page 159 of its brief again makes the unwarranted statement that the Archer-Daniels Company was required to "report contemplated cuts in price before the reduced quotations were actually made." We assert that there is nothing in the record to the effect that any crusher was required to report quotations to the Bureau before the same were given to the trade. Mr. Mairs of the Archer-Daniels Company, with respect to his company filing quotations with the Bureau, testified as follows:

> "I have never to my knowledge sent price information to the Bureau which had not already been quoted to our trade. The statement in the telegram (Plaintiff's Exhibit 17) 'from 17 Nov. wired bureau before wiring agents at bureau's request 10 minutes' means that we wired the bureau ten minutes before we wired our quoted price to our agents." (R102.)

And on cross-examination by Counsel for the Government, Mr. Mairs testified:

> "The third sentence in the telegram (Plaintiff's Exhibit 17) means that we quoted a price and then wired the bureau and after that advised our agents of our quoted price. It does not refer to special sales." (R102.)

Nowhere in the record was Mairs' testimony contradicted and it stands as a complete refutation of the Government's statement in its brief that quotations were filed with the Bureau before the same were actually made to the trade. This is the second inaccurate reference to this matter by the Government in its brief, and we feel that such a procedure on its part is unfair, and can only be justified, if justified at all, by the exigencies of the Government's position in this case.

The Government states that the exchange of information as to every cut in price was to prevent such cuts. This is only an opinion of the Government entirely unsupported by the record. Of course, it is not possible in the mind of the Government that the exchange of information by the Bureau as to cut prices would reduce prices. We assert that the exchange of information that subscribers had cut prices, certainly would have a greater tendency, if it had any tendency at all, to at least prevent prices going higher than were at

that time being quoted by the respective crushers.

The Government in its brief takes exception to the action of the bureau urging a member to show a spirit of independence by giving no attention to a competitor's price, but selling strictly at his own. It is very difficult to reconcile the position of the Government with respect to its attitude in this connection, and its attitude that the exchange of price quotations by the bureau had the inevitable result of making the crushers follow such quotations whether the same were based on the law of supply and demand or not.

The instance referred to at page 159 of Government's brief was a case where information came to the bureau that a subscriber had quoted a special price because he had been told by the buyer that a competitor had offered to sell him oil at a cut price, and the bureau in a letter to the crusher making the sale, stated that if the service of the bureau was being used to simply do as the other fellow was doing, then its service was being used contrary to the purpose for which it was intended.

Under the service contract all that a seller had to do in this instance was to make the sale at a lower price and thereafter advise the bureau without any comment as to what any other member of the bureau was doing. No member of the Council

is required by the bureau or the other subscribers to make any apologies or offer any excuses for any price he may quote, any terms of sale he may give to a buyer, or any freight differentials he may put into effect, just so long as he complies with the service contract and reports it to the bureau.

Nowhere in the record is there any evidence that a member was requested to open for inspection any of his books or accounts to any representative of the Bureau or subscriber.

On page 160 of its brief the Government states that frequent use was made by the bureau of a requirement that a subscriber should reply specifically to any inquiry that might be made through the bureau by another member, and that by such a requirement, maintenance of prices filed with the bureau was brought about. We unqualifiedly assert that this is the most unwarranted statement as to the facts appearing in the Government's brief. The whole record teems with proof that filed quotations were never maintained in any way except by the individual's own freedom of action; that prices of the individual members went up and came down continuously throughout the operation of the Council through the bureau and that for a period of over one year of the year and three-quarters the council was operating, prices of the various crushers varied. Further, the main con-

tention of the Government itself disproves the unwarranted statement referred to above because the prime contention of the Government in this case is that the dissemination through the Bureau of market information and the bulletining of the market letters was for the purpose of enhancing prices. And we assert that the Government surely cannot successfully contend that inquiries sent out by the Bureau had the effect or were intended to maintain prices already on file with the bureau because if such is its contention, where did the maintenance of filed prices begin? It is a matter of record that prices were filed by the various crushers times without number, sometimes up, and sometimes down, and if there ever was anything in the minds of Armstrong or these subscribers that inquiries bulletined to members were to maintain filed prices, we assert with all the emphasis at our command, that the opposite result was accomplished.

The Government states in its brief that "at the very beginning of the organization, by exchange of views through the bureau, fluctuations in the price of linseed oil were very quickly and materially reduced, and the prices of all the members soon became practically uniform." In reply to this statement, we say that the record shows that there never was any "exchange of views" through the bureau, or out of the bureau by these defendants

with respect to prices; that while the prices of all the members at times were uniform, they were for the most part fluctuating; that uniform periods in the linseed oil industry have been occurring since "the memory of man runneth not to the contrary," are occurring now and will occur in the future.

The Government states that on November 9, 1918, one member by writing the bureau secured the reprimand of an agent of another for selling two barrels of oil at $1.53 when that member's filed price was $1.58. The record shows that the bureau simply requested members to advise the bureau whether such a sale had been made, and there is nothing in the record appearing thereafter that the bureau ever did anything beyond the inquiry. We challenge the statement of the Government in this respect and assert that there is no foundation in fact for the same.

On the same page the Government states that "in the same manner a reprimand of an agent of another member was obtained for quoting a price f. o. b., St. Louis, instead of four cents higher, f. o. b., New Orleans." This again, we assert, is an unwarranted statement not supported by the record. The agent in this transaction was never reprimanded; and there is nothing in the record to the effect that he was reprimanded. All the bureau

ever did in this matter was to send out an inquiry, got the replies, and bulletined the same to the subscribers.

On the same page the Government states "in like manner an agent at St. Louis was stopped from selling a few small orders to meet what he was informed was the actual price of a competitor." The Government in its brief does not state who stopped the agent at St. Louis from making sales to meet what he was informed was the actual price of a competitor, but we assert that if the agent was stopped, he was stopped by the only person who could have stopped him, to-wit: the party for whom he was selling oil. Is there anything in this record to show that the bureau or other subscribers in any way stopped an agent of a crusher from selling oil at any price or for any reason? It seems unfair that the Government should resort to the use of a transaction wholly outside of the question involved in this case, which can only have the effect, if it has any effect at all, of clouding the issue.

The Government states (page 161) that it appears from a letter to the bureau from the Midland Company that the council had decided to use the price of oil in barrels, carload lots, as the basic price. What this has to do with combinations or conspiracies in restraint of trade, we do not know.

The Government states, on page 161 of its brief, that through correspondence an understanding was procured that a subscriber would not sell one day at the prevailing price with the understanding that the order would not be turned in for forty-eight hours; the purchaser to get the benefit of a reduction but not charged with an advance; and would not for a premium of one cent per gallon protect a purchaser for thirty days against decline as to any undelivered portion. In reply to this assertion that an understanding was procured, we respectfully request the court to read market letter number 226, beginning on page 391 and ending on page 393 of the record, and we assert that if there is a scintilla of evidence in such correspondence that in any ways shows that "an understanding" of any kind "was procured" we would like to have it pointed out. Because after reading this correspondence over many times we are unable to spell out of it any understanding or agreement of any kind. What the correspondence does in fact show is that a sharp buyer was trying to revive a practice which had been dead for many years, but none of the crushers would have anything to do with reviving the dead, and their attitude thereto clearly was not brought about by any correspondence with the bureau, because as the correspondence shows (R301-393) each individual crusher had decided

for himself and only for himself, that such a practice referred to in the correspondence had no place in his method of doing business.

On page 161 of its brief the Government states that on complaint, two members stopped selling oil in Washington at their Baltimore prices and thereafter added freight between the two points. Nothing appears in the record that any one prevented members of the bureau from selling oil in Washington at their Baltimore prices, or any other prices. The selling of oil in Washington at their Baltimore prices by the two members referred to, appears to have been contrary to quotations they had on file with the bureau, and all they needed to have done to continue to sell oil in Washington at the prices they were quoting in Baltimore, was simply to have advised the bureau that they were doing so, and that would have ended it. The fact that they did not do so and saw fit to apply a freight charge from Baltimore to Washington on sales in the latter city was of their own volition, and was not brought about, and could not have been brought about, by any complaint to the bureau or any action by the latter looking to that result.

On page 161 of its brief the Government states that "as a result of rather lengthy and heated correspondence, the sale of five barrels made by a

member at Albany at $1.52 instead of $1.53 his filed price, was cancelled." The Government does not state in its brief what steps the bureau or council members took to bring about the cancellation of the sale referred to, but the record shows that the company advised its representative making the sale that it could not be done and received word that the order had been cancelled. There is nothing in the record to show that any subscriber or the bureau had anything to do with the cancelling of this order, and we assert that the entire transaction was a matter to be settled only by the seller and his representative, which the record shows was settled in this manner and not by any action by the bureau or its other subscribers.

On page 161 of its brief the Government states that an agent of a member was stopped from selling oil in storage at Syracuse to be shipped to Minetto, N. Y., at his Syracuse price, thus absorbing the freight. Quotations on file with the bureau are based solely on the price of linseed oil without the absorption of freight. From this it will appear that the sale of oil at a price with freight absorbed is at variance with the quotations of the seller on file with the bureau. Therefore, under the contract, a seller if he absorbs the freight on oil is obligated to report the transaction to the bureau, and that is all. The fact that he did not care to

absorb the freight but desired his agent to sell oil at a price which did not absorb the freight is not proof that some other subscriber or the bureau compelled the crusher to adopt such selling price. In this same section the Government states that "the council by resolution had limited the application of zone prices to points where warehouse stocks were carried," but it evidently prefers to leave this cryptic statement without further reference to the record, which clearly shows that the zoning plan afforded the trade every benefit from warehouse stocks carried by different crushers.

On page 161 of its brief, the Government states that sharp criticism was directed against one member by two others because one of his agents had made two mistakes in making sales at five cents under the company's filed price for zone 3, and likely no other mistakes were made by that agent. There is nothing on page 467 of the record as referred to by the Government that shows that any criticism was directed against any one.

On page 162 of its brief the Government states that a member wrote the Bureau that it was holding a sale open until it heard what the price of another member was, and that the member was subjected to a severe reprimand by the bureau for doing so. We deny that any severe reprimand was sent by the bureau to the council member referred

to in this transaction. We would respectfully request this court to read the correspondence in reference to this entire matter appearing on pages 475 and 476 of the record. In the letter from the bureau it is seen that what the bureau was actually seeking was absolutely contrary to what the Government continually alleges the bureau and defendants were seeking. That is to say the bureau in this letter was impressing upon the members that the exchange of market information through the bureau was for the purpose, and only for the purpose, of enabling the Bureau's clients individually to place their own valuation on their merchandise, and their merchandising ability, and that if on the other hand, any subscriber to the service of the bureau should attempt to use the market information as an actual means, if not an actual incentive, to do as the other fellow was doing, then the bureau had failed in its purpose to instill this all important principle in that subscriber's mind.

On page 162 of its brief the Government states that all the members by correspondence expressed a determination not to deliver in one month sales made for a subsequent month. Assuming that such was a fact, which we deny, is it unlawful for competitors to express such a determination if such determination is not the result of an agreement, express or implied. That the determination alleged in the Government's brief was not brought

about "by correspondence" is shown by the record (R. 484), wherein it is shown that each crusher, with the exception of one, stated that he never had indulged in such a practice, and such expression was not the result of any correspondence passing through the Bureau or discussions at meetings, but was an expression of what had been the practice of these crushers before they ever came into the Council.

That there was no understanding between the Bureau and its members that deliveries of oil sold in one month or any time the buyer and seller agreed on is shown from the following: John A. Mann of the Mann Brothers Company, wrote:

> "We do not sell oil for delivery during any months at a variation from our filed prices. If on occasions we have made such sales we have promptly filed a new price covering the sale." (R. 484.)

That the practice of selling oil for delivery in one month at a price quoted for another month was considered bad merchandising and unfair to other customers is shown from the record at page 484, which reads as follows:

> "Midland Linseed Products Co. 9-16-19.
>
> "We do not sell and deliver oil in August at our September price, and we do not intend to sell and deliver oil in September at our October

price, nor deliver in October a portion of November-April contracts.

"We do not consider that this practice is materially different from cutting our regular established price, which would not be fair to our other customers, and which we would consider very bad merchandising." (R. 484.)

Thereafter in the Government's brief it is stated that a sale made by an agent at $1.60 was by the member changed to $1.61 as a result of a complaint; that by criticism from one member, the agent of another was stopped from selling small lots; that the filed price of a member was $1.70 for March in zone one, if taken in equal quantities with deliveries for April and May with prices at those months, and that a sale not made in accordance therewith was criticised by another member because not in accord with the filed price of the offending member, and that the agent was written that he had exceeded his authority, and such sales were of course stopped.

We deny that by reason of any agreement, express or implied, or any complaint or criticism passed through the Bureau any one was compelled to change a price on a sale already made, and we assert that if such a thing was done it was entirely personal with the seller and buyer connected with such transaction. No member was stopped from selling small lots at a price filed for carload lots by

reason of any criticism from a member passing through the Bureau. The transaction referred to by the Government is covered at page 510 of the record, and instead of its being considered as a criticism, the company making the sales wrote expressing its thanks for having its attention called to the matter of the error, but nowhere does the record show that any sales were prevented or any attempts made to prevent sales being made for any reason whatsoever. The sale at $1.70 referred to above was admitted by the crusher making the sale as being irregular, and without any solicitation on the part of the Bureau or other subscribers the Company wrote that they were advising their agent that the sale was made without their authority and stated they had given further instructions. Nothing appears in the record, however, that such sales were stopped, and if it be true that they were stopped, there is no proof that the Bureau or its members by concert of action or otherwise stopped such sales.

Thereafter in the Government's brief follow statements, not based on the record, we assert, that other practices, some of which involved prices, were criticised and corrected.

On page 163 of its brief the Government states that by correspondence an understanding among the members was secured that all would charge one cent per gallon per month or fraction thereof for

carrying oil after purchase. This is not the fact as appears from the record. What was actually done was that an investigation was made into the cost of carrying oil beyond the contract period for the delivery thereof, and it was recommended that as it cost money to store oil and one cent per gallon or fraction thereof was a fair carrying charge, it was so recommended. However, it appears from the record that Archer-Daniels did not follow this recommendation.

The Government on page 163 alleges that a Kansas City Agent of a member was stopped from guaranteeing against decline. We state that the allegation that one was stopped from guaranteeing against decline or stopped from conducting his individual business as he saw fit is entirely disproved by the record. As stated elsewhere in this brief, discussion was had at a meeting with respect to guarantee against decline and it was the consensus of opinion, and so expressed, that such a practice was an unfair method of competition and ought not to be indulged in by the crushers. In view of the fact that the Federal Trade Commission, a Governmental agency, has issued complaints charging the practice of guaranteeing against decline as an unfair method of competition in violation of Section 5 of the Federal Trade Commission Act, can it be said that a resolution passed by a number of competitors condemning such a prac-

tice and urging their members not to indulge therein can be considered as part of a plan to bring about an unlawful combination and conspiracy in restraint of trade?

Next, on the same page the Government states that because of an inquiry with reference to a certain sale by a member, thereafter when a sale was for export, the members so reported, which appears from the correspondence to have been previously agreed upon by the members.

If it were not for the seriousness of the case at bar, such a statement appearing in the Government's brief as showing part of a plan to unlawfully restrain trade or commerce, would be, to say the least, ludicrous. If all the linseed crushers in the world were to agree to report whether or not their sales were for export or import, how could that bring about any restraint of trade?

On page 164 of its brief, the Government states that expressions were obtained from all but one condemning an arrangement of selling oil on consignment whereby in consideration of storage, the purchaser could at his option take it out of his warehouse at carload price, having the oil invoiced on the date of its removal from the stock, which arrangement would enable him to take the entire lot when delivered to his warehouse, if he felt that prices were going to advance, or he could take it at carload price as used. We are glad to note in

this one instance the Government characterizes this as obtaining an expression condemning an arrangement, instead of asserting or insinuating that an agreement to prevent such a practice was brought about. However, we contend that the Council members were well within their legal rights in expressing condemnation of such an unfair arrangement. We assume that we have not reached a time in the history of this country when competitors cannot come together and give voice to their expressions condemning what is believed to be, and as a matter of fact, is, an unfair method of doing business.

On page 164 of its brief, the Government states that one member had taken a sale from another member by waiving the customer's giving a trade acceptance. In another part of the Government's brief they allege that as part of a combination or conspiracy to restrain trade and commerce, the defendants agreed on uniform terms of sale and that such terms embraced trade acceptances. We assert that if any further proof is needed to satisfy this Court that trade acceptances were not uniformly adopted and used by the members of the Bureau, it is the statement appearing in Government's brief at page 164, that one member had taken a sale from another member by waiving the customer's giving a trade acceptance.

On page 165 of its brief, the Government states that a member was accused of having allowed five cents off when purchasers furnished their own barrels, and upon inquiry, the agent of the member declared that he was not doing so. The Government states that "this shows that no such practice was allowed by any of them." On page 164 of the Government's brief it refers to identically the same kind of practice, but in that instance it states that the member who allowed a customer five cents for the use of the customer's containers, was criticised and stopped the practice. No comment on the inconsistency of such statements seems necessary. However, the record does not show that any one was criticised for such a practice.

BONDS

No denial is made that the service contract required each member to deposit with the Bureau Liberty Bonds of not less than $1,000 or more than $10,000, but we unqualifiedly deny that the deposit of such bonds was for the purpose, or had the effect of preventing any member from conducting his business as he wished. An examination of that part of the service contract dealing with the deposit of Liberty Bonds clearly shows that the requirement was solely for the purpose of insuring that clients of the Bureau would strictly adhere to the terms of the contract or any reasonable requirement of the Bureau.

Now, if we take the contract by itself and analyze it carefully, we find that it requires true, accurate and immediate reports on market information to be filed with the Bureau; that all information so reported or filed with the Bureau shall at all times be purely statistical and pertain only to past transactions and that no part of the machinery of the Bureau will be permitted to be used to fix prices, divide the territory or limit the sale, production or manufacture of linseed oil or any other product.

The very existence of the Bureau depended upon this latter provision and is it any wonder that Armstrong, realizing this, required of his clients a bond guaranteeing strict adherence to the letter and spirit of the contract?

The integrity of the Bureau depends upon the truth and accuracy of all market information distributed by it. There is nothing in the requirements of the contract that provide for an unlawful action by its members but it was possible that some client might attempt to use the machinery of the Bureau in an unlawful manner. Hence the bond requirement.

The Government says that the bond could be forfeited for failure on the part of a member to comply with any reasonable requirement of the Bureau. Is there anything in the record indicating that the Bureau ever made an unreasonable re-

quest or demand of any member, and if the Bureau should do so, would it dare attempt to forfeit the bond of a member for non-compliance with an unreasonable demand?

The only demands that Armstrong could reasonably make of a member under the service contract would be for true, accurate and prompt market information as to past transactions. Nothing else could have satisfied the provisions of the service contract.

While at times, as appears from some of the market letters offered in evidence, a subscriber did not advise the Bureau of past transactions as provided for in the service contract, the failure to do so was of a trivial nature and did not appear to Armstrong to be an intentional evasion of the reporting provisions and certainly not an attempt to use the machinery of the Bureau to fix prices, divide territory or curtail production. How careful the Bureau was to see to it that at all times its subscribers adhered not only to the letter and spirit of the service contract but that their operations did not in any way violate the Sherman Anti-trust Law is indicated by the careful check and supervision to that end exercised over all its subscribers as shown by the record.

It is thus seen from the "brief recapitulation" that the Government is attempting to have this Court set aside decision of the trial Court below

by the narration and characterization of a few isolated and unimportant transactions, many of which if supported by the record, which we do not admit, would not be any proof that there was ever an agreement, express or implied, entered into or contemplated by the Bureau and the linseed oil crushers, by which it was hoped that the prices to be obtained for linseed oil would be in any way affected other than by the law of supply and demand, and based on true, accurate market information, which businessmen were entitled to receive and use in formulating their best individual judgment.

Satisfactory proof that the defendants combined and conspired to unlawfully restrain trade and commerce is not submitted to this Court by any showing in the Government's brief, or by *simply stating* that daily and weekly sales or special sales to favored buyers were bulletined through the Bureau, or that fluctuations in prices after the organization of the Council were quickly and materially reduced, or that prices of all the members soon became practically uniform, or that views were exchanged as to how to apply the zone system, or that a member was criticised for this or that, or that sales under certain conditions were stopped by reason of a member sending complaints through the Bureau that such and such a sale had been made contrary to the filed price; or that sharp criticism was directed against one member by

other members because his agent had made two mistakes in making sales at five cents under that company's filed price for a certain zone, and so on.

It is not surprising that a crusher would write the Bureau asking whether or not a trade practice was being indulged in by another member which the inquiring subscriber considered to be contrary to what was thought to be fair business practice.

Is a combination or conspiracy to be presumed because inquiries are bulletined through the Bureau as to whether or not special prices to favored buyers are being quoted, or that a few customers are getting rebates on containers which in effect amounts to a cut price, in view of the record which clearly sets forth that if such practices are to be indulged in by the subscribers, all that is required of them is to report such practice to the Bureau?

The service of the Armstrong Bureau is for the gathering, compiling and dissemination of true, accurate market information as to past transactions without any predictions or comments as to the future conduct of its clients with respect to prices and production.

All that the Bureau requires of its members is that when it furnishes market information for dissemination that information shall be true and pertain to past transactions. If inquiry comes to the Bureau from any of its clients which raises a

presumption that the information disseminated by the Bureau to its members is contrary to the actual facts existing in the trade, there is nothing else for it to do to protect the integrity and efficiency of its institution but to seek and disseminate information showing the true situation. Nothing more was ever done in the case at bar, and no other course of conduct will ever be pursued by Armstrong and the Bureau. Clients of the Bureau not having in mind at all times the welfare and future of the Bureau's activities and services to related industries, might indulge in practices contrary to what they had advised the Bureau and which had been disseminated through the Bureau. Individuals are only human and it cannot be expected that those who are not closely identified with the work of the Bureau day in and day out, would have the jealous consideration of the high ideals for business up-building as have Armstrong and his assistants.

Therefore it is not surprising that there appears here and there in this record isolated transactions, which when described by one who is obsessed with the idea that all institutions of this kind are conceived in iniquity should be able to create in the minds of some a suspicion that perhaps there is something wrong in the operation of the plan.

But the Judge in the lower Court had every defendant or its representative before him for exam-

ination. He also had before him for examination a few Government hand-picked buyers, and also buyers called by the defense. He had also placed before him for his consideration tables showing every quotation and sale filed with and transmitted through the Bureau, the accuracy of which was certified to by the Government's own representative.

Counsel for the Government in the lower Court called to the Judge's attention these small isolated transactions and sought to befog the real issues but without success.

To the Government's credit it may be said that at no time in the proceedings through the lower Court nor in its brief in this Court does it make the statement that market information disseminated by the Armstrong Bureau was not accurate and true in every respect. At no stage of the proceedings from the lower Court to this high tribunal is there any allegation made that the market information disseminated by the Bureau, if treated by the individual crushers without concert of action or agreements, express or implied, to artificially affect prices, was not such information as a prudent business man was seeking and will continue to seek even though this Honorable Court should close the avenues for obtaining such information, economically, accurately and completely through the Armstrong Bureau.

Therefore, there can only be one point in the Government's attack against the service of the Armstrong Bureau and that is that irrespective of whether or not the information is true and accurate and is such information as a sagacious business man should have and will seek for the proper conduct of his business, the collection and dissemination of such information by the Bureau to a number of competitors at the same time inevitably results in an undue restraint of trade and commerce and indirectly brings about a combination and conspiracy in restraint of trade. This means, if the Government's contention is sound, that Judge Carpenter's opinion should be reversed on the ground that he has done violence to the evidence, and that this Court will say to these defendant crushers you must stop obtaining accurate market information openly from each other, which means they must obtain it by other means, fair or unfair, or conduct their business in ignorance of essential business facts.

COMPETITION

The Government in its brief, pages 167-170, would have this Court believe that the Armstrong Bureau had formulated and put into operation with its clients a form of competition entirely dissimilar from that contemplated by the Sherman Anti-Trust Act. The Government's conception of

business as conducted at the time the Sherman Law was enacted is described by the two following excerpts from the Government's brief:

> "Under these conditions but little attention was given to the prices of competitors." * * *
>
> "All effort, therefore, was concentrated upon producing the goods as cheaply as possible, so that they could sell them upon the market against competition, and yet realize a reasonable profit; and no dependence was had upon the prices of competitors."

We believe that it is a fact, and this court will take judicial note of it, that in practically every line of business at the time the Sherman Law was enacted up to the present time selling prices were and are based primarily upon the prices being charged by competitors; that is, upon the market, and that very close and unremitting attention was invariably given to the prices of competitors.

The statement that it was a general business practice, at any time, to determine selling prices by the cost of production alone is without foundation. Anyone who has anything to sell desires to get the highest price he can for it. As a rule, however, all he can get is approximately what his competitors are charging for the same product.

A manufacturer now, as he did in the past, studies the price of his competitors and must of necessity fix his price therefrom. The Bureau has

never attempted to use what might be termed "new competition" with any of its clients. All it does is to gather and disseminate to its clients true, accurate and immediate market information. A manufacturer operating under the plan of the Bureau is thus enabled to devote less time than formerly to studying his competitors' prices because it requires less effort on his part to ascertain what those prices are. Further, he does not have to spend considerable time in sifting the truth from the falsehoods which formerly came to him about his customers' prices. Further, by reason of the Bureau's service he has more time left to devote to study of his cost sheet and more incentive to do so because he realizes more clearly than before that his prospects of making profits depend to a large extent upon efficiency of production, management and service than upon shrewdness in selling.

The Government in its brief is attempting to show that it is a recognized principle of economics that under fair competition prices by different competitors in the same market differ widely among themselves. The contrary is true. The accepted teaching of economics is that under fair competition prices at any given time tend to be uniform or approximately uniform, except as they are influenced by factors which actually change the value of the commodity offered or the services

rendered in connection therewith. The freer the competition the greater the uniformity and the more closely will the price conform to the theoretical minimum, which is the lowest price that will suffice to bring out supply sufficient to meet the demand.

Uniformity of price at a given place and time, may, of course, be produced by an agreement among sellers, or, under different circumstances by an agreement among buyers, but it may also be brought about by fair, open competition accompanied by a system of prompt transmission of intelligence. The latter condition is best exemplified by the stock market. Any seller's price for any stock for immediate delivery, if he wants to sell at all, is "the market." Absolute uniformity of price prevails, and this in the most freely competitive market that exists.

William Stanley Jevons in his work "The Theory of Political Economy," page 90, says:

> "There can be no reason why a person should treat exactly similar things differently, and the slightest excess in what is demanded for one over the other will cause him to take the latter instead of the former. * * Hence follows what is undoubtedly true, with proper explanations, that in the same open market at any one moment, there cannot be two prices for the same kind of article. Such differences

> as may *practically occur* arise from extraneous circumstances, such as the defective credit of the purchasers, *their imperfect knowledge of the market*, and so on." (Italics ours.)

Let us assume three crushers are selling linseed oil in the same town. One is quoting a price of $1.50 per gallon and the other two are quoting a price of $1.70 per gallon. Each we will say, is well stocked with linseed oil. Ten buyers are in the market for a quantity of oil which any one of the three crushers could supply. Is there any competition between the crusher with the $1.50 price and the two crushers with the price of $1.70? None at all. Until the two crushers with the $1.70 price learn of the lower price and make their prices more nearly uniform with the other crusher's $1.50 price, they are out of the market until all of the oil of the $1.50 crusher is gone. That certainly is not the kind of competition old or new, which the Sherman Act aims to foster. It does, however, conform very nearly to the idea of Counsel for the Government as to just what competition meant when the Sherman law was enacted and what it means today. We cannot, however, agree with his formula.

The Government contends that the plan of the Armstrong Bureau, as it was operating among the defendant manufacturers, "profoundly affects the economic laws governing prices which

previously existed." The defendants disclaim not only the intent, but even the ability to alter economic law. The laws continue to function. Competition is not stifled, it is vivified.

THE HARDWOOD LUMBER CASE

The Government states in its brief (page 170) that it is necessary to cite but one authority, American Column & Lumber Company vs. United States, decided by this court on December 19, 1921, in support of its contention that "the combination between the defendants is unlawful, because when carried into effect it inevitably restrains interstate commerce."

In attempting to point out the similarity between the facts in the Hardwood Lumber case and this case the Government again takes pains either to state facts incorrectly or to omit certain facts found in the lumber case, which if presented by the Government here, would show entire dissimilarity between the two cases.

The Government states that the plan for the exchange of information with reference to production and sales was of the same nature as the plan presented in the lumber case, though differing somewhat in detail. It then proceeds to make a comparison of what it says are not only the facts in the Lumber case but the facts in this case. The Government says that in the Lumber case daily

reports were made to the Secretary of the Association by each member, giving particulars as to the sales and shipments, and the information thus received was compiled by the Secretary and sent out to all the members.

As a comparison in this case it states that all quotations at a reduced price are wired within a few minutes to the Bureau and by the Bureau immediately relayed by wire to the other members.

The Government does not state, however, that in the latter practice the Bureau in relaying to its members "quotations at a reduced price" did *not* suggest that prices should not be reduced or increased, as was found to be the fact in the Lumber case.

The Government states that in the Lumber case monthly reports by the members to the Secretary were required which were compiled and distributed among the membership monthly. It does not state, however, that the Court found that these monthly statements were accompanied by the Manager's opinion, that production was greatly below normal or falling off and therefore prices ought to go higher.

In the Lumber case the Government states the Association held monthly meetings, as was done by the Council in this case. The Government admits, however, that for the convenience of the

members of the Lumber association, meetings were held in different sections of the territory covered by the association—sometimes two or three meetings a month, and some members probably attended more than one of them. The evidence in this case shows that only one meeting a month was held.

The Government states that the evidence in this case indicates a much more thorough inquiry by the members into each other's business at the meetings of the Council than was shown to have occurred in the meetings of the Lumber Association. The Government neglects, however, to set forth in its brief in this case any references to the record which support this statement. And further, the Government in its brief conveniently neglected to state that in the Lumber case, as the Court found, members wrote letters and openly stated that they never attended a meeting of the Lumber Association that they did not thereafter increase the price of their lumber. We do not think that the Counsel for the Government would overlook such a fact in this case if any such course of action by Linseed Council members had taken place subsequent to a meeting.

Counsel for the Government states that the conduct of the Manager in the Lumber case could not possibly have been so effective as the communica-

tions from the Bureau to its subscribers as shown by the evidence in this case. We do not know, so therefore do not care to state, how effective the conduct of the Manager of the Lumber Association was, particularly in the matter of prices. We do know, however, that the Court in that case found as a fact increases in the price of the varieties of Oak ranged from 33.3% to 296% during the year; of Gum, 60% to 343%, and Ash, from 55% to 181%.

The Government in its brief states that the Manager of Statistics in the Lumber case only advanced arguments to his members based upon facts or assumed facts. In this case the Government says the Bureau gave peremptory orders and in all cases spoke as one having authority. In answer to this, we simply state that the record and particularly the portions of the record quoted in our brief, shows on its face that the Bureau never at any time gave a peremptory order or spoke as one having authority over the conduct or management of any individual crusher's business. We say without hesitation if there was one iota of evidence in the entire record to show that the Bureau even attempted to give a peremptory order it would appear in the Government's brief in large type.

The Government in its brief, page 172, makes the following startling statement:

> "Certainly in the Lumber case the minute details of the business of the members were not laid bare to the extent that such details are shown to have been exposed among the members of the Council in this case."

In the Lumber case the Court found that not only the minutest details of the Members' business were distributed to each other, but that a discretionary inspection was made of each member's stock and a compiled report thereof distributed. We deny that the members of the Linseed Oil Council submitted their books or stocks to the discretionary audit of the Bureau or their competitors. We also deny that the minute details of the business of the members of the Bureau were laid bare to either the Bureau or competitors. The only information received and bulletined by the Bureau was daily and weekly reports of sales, reports of changes in price quotations after the same had been quoted to the trade, and monthly reports of stock on hand. Now and then an inquiry would come to the Bureau asking for information with respect to a reported sale or quotation, which did not check for accuracy with the Bureau's market information and the Bureau bulletined members with respect thereto.

It should be called to the attention of the court that in bulletining these inquiries to members of the Council, any special price which the inquiring

subscriber reported he had bid for such prospective order *was not* incorporated in the inquiry sent out by the Bureau. The Bureau nor Council members never inquired of the crushers as to whether or not they were making enough money from the sale of their products, whether they were crushing more flaxseed than was good for the industry; whether the fact that the flaxseed was burning up in the Northwest in 1919, should not bring about higher prices for linseed oil or whether any Council member was going to take the lead or follow the lead of others.

The Government states in its brief (page 172) that in the Lumber case it was unnecessary for any inference to be drawn that there was an agreement to curtail production, or as to prices, because

> "The plan, within itself, was unlawful, in that when put into effect the inevitable result was the curtailment of production and the advancement of prices. This contention of the Government was upheld by the Court."

Whether or not the Government ever presented the Hardwood Lumber case to the court based solely on such a contention is unknown to us, but if it contends in this case that the inevitable result of the service of the Armstrong Bureau was the curtailment of production and the advancement of prices, we assert that the record in this case absolutely does not support such contention.

If the above contention of the Government was upheld by the Court, why does the Government present this case in the lower court, and now to this Court, with so much stress upon distorted references to trivial, infrequent and remote transactions.

In the Lumber case this Court found that while there was lacking a definite agreement as to production and prices, this was supplied by facts submitted to the Court below. We assert that the record in this case disproves any agreement, direct or implied, with respect to prices; that the Government itself in this case admits that there was no agreement to curtail or affect production.

In the Lumber case such statements as the following appear:

> "There is no agreement to follow the price of others, although members do follow their most intelligent competitors if they know what these competitors have been actually doing."
>
> * * * * * *
>
> "With co-operation of this kind we will soon have enlisted in our efforts practically every producing interest, and you know what that means."
>
> * * * * * *
>
> "If there is no increase in production, particularly in Oak there is going to be good business."
>
> * * * * * *

"No man is safe in increasing production. If he does, he will be in bad shape as the demand won't come."

* * * * * *

"Reference was made to members who contemplated running day and night, and it was stated that the lumber industry had seen these unusual market conditions before, and that we ought to be very sure that the market is capable of taking care of night and day lumber."

* * * * * *

"The lumber men have gone through several lean years, but we are confronted with the possibility of killing the goose that laid the golden egg. Overproduction will spell disaster, as it should always be borne in mind that the maximum production capacity of the saw mills of the country is much in excess of any demand the country has ever known."

* * * * * *

"The danger we see lurking in the future for the lumber industry is over-production. * * * If ever there was a time when rich rewards awaited the producer of hardwood lumber, now is that time. There are glorious opportunities ahead."

* * * * * *

"Supply and demand must necessarily govern prices. The demand is with us, the supply inadequate, therefore, values must increase, as competition in hardwood is only among ourselves."

* * * * * *

> "The tendency of the market is upward and will undoubtedly continue to advance so long as sales and production bear their present relation to each other."

There is not a single statement or market letter in this case that in any way borders on the above, and the Government checked the Bureau's records for accuracy and completeness. When flaxseed was burning up in the Northwest in 1919, the crushers sent to Argentine for flaxseed and at great expense brought it to this country and supplied the trade as economically as the quantity of seed procured would permit. At this time the price of flaxseed rose to $6.40 per bushel, a price never heard of in the industry. Instead of encouraging, or attempting to encourage his clients to raise prices of linseed oil, Armstrong by letter requested each and every one as a patriotic duty to keep the price of linseed oil down and if necessary to take a loss. In the face of such testimony, how can Counsel for the Government assert that the operation of the Bureau with its clients was similar to that found in the Hardwood Lumber case?

In the case at bar, daily and weekly reports were filed with the Bureau and sent to its clients but never with a suggestion of any kind that prices ought to be changed, up or down, or that production ought to be curtailed. We have herein repeated this statement several times, but we deem

it necessary in view of the persistent statements appearing in the Government's brief that clients of the Bureau were subjected to more minute investigation and more detailed instructions were given them by the Bureau than was the case in the Hardwood Lumber Association.

In the Lumber case it was shown that prior to each meeting a questionnaire was sent out to the members and from the replies received, the statistician compiled an estimate of the conditions of the market, *actual and prospective*, which was distributed to the members. There were eleven questions on the list of which the most important were:

> "4th. What was your total production of hardwood during the last month? What do you estimate your production will probably be for the next two months?
>
> "10th. Do you expect to shut down within the next few months on account of shortage of logs or for any other reason? If so, please state how long you will be idle?
>
> 11th. What is your view of market conditions for the next few months and what is the general outlook for business? State the reasons for your conclusion."

The record shows that nothing like this ever took place through the Bureau at its meetings, or ever was in any way attempted. We repeat there was never a discussion at the meetings or a market

letter bulletined through the Bureau with respect to what the market would be in the future, or what would be the condition of production in the future, or what prices ought to be or might be in the future. Further, it is a matter of record in this case that there never was a discussion of prices at the meetings or in market letters bulletined by the Bureau.

It was also shown in the lumber case that each member should file at the beginning of each month, price lists showing prices f. o. b. shipping point, which was to be stated. Nothing of this kind ever took place through the Bureau or through the Council. The record shows that when a member filed his quotations with the Bureau he was not required to file any other list until after he made a new quotation to his trade. Nowhere in the record does it appear, as in the Lumber case, that members wrote any letters with respect to the benefits derived from the service, nor are there any letters or communications in the entire case showing any gratification over the fact that roads were impassable, shipping congested, or production curtailed.

Below are quoted some replies to a letter from the manager of statistics asking for comments on the plan in the Lumber case:

"There seems to be a friendly rivalry among members to see who can get the best prices, whereas under the old plan it was cut-throat competition."

* * * * * *

"From the first report we received under this plan we were enabled to increase our price $6.00 per thousand on a special item of Oak."

* * * * * *

"Since we became members we have been selling our lumber at several dollars per M more than formerly and we are perfectly satisfied with the plan."

* * * * * *

"We have always left these meetings feeling that we did not get money enough for our lumber and that we ought to try to do better."

We would call the Court's attention to the fact that there was no "guide" or "manager of statistics" in the Linseed Oil Council, and no executives or employees of the Armstrong Bureau whose employment was in any way predicated on the service returns to the linseed crushers. We would also call the Court's attention to the fact that linseed oil, like lumber, is used to a large extent in building operations and elsewhere where lumber is used, and the record in this case shows that when prices of lumber were constantly advancing, the prices of linseed oil went up and came down and went up and came down just as did the flaxseed market.

We would also call to the attention of the Court the fact that the period involved in the Hardwood Lumber case is practically the same period in this case; that the record in this case does not show any predictions as to production and prices in the future, no preparation of reports with comments from the Bureau or its subscribers as to what the market ought to be, and that the record of the Bureau is a clear exemplification of what actually took place between the crushers and the Bureau with respect to the latter's service, without any thought in mind that the record of the Bureau should be cleaned up for the purpose of eliminating or destroying any expressions such as were condemned in the Hardwood Lumber case. We deem it important to make this statement for the reason that what the Bureau's records show in this case clearly sets forth the true situation without any attempt at color or subterfuge.

We therefore assert and feel that the Court will agree with us, that there is no similarity between the activities of defendants in this case and the defendants in the Lumber case; that the purposes sought and obtained in this case and the results thereof, are not at all comparable with those sought, obtained and condemned in the Hardwood Lumber case.

THE LAW

The charge of the Government in this case, as stated in its brief, is that the inevitable result of the exchange of true and accurate market information as to past transactions must inevitably result in a curtailment of production and the advancement of prices, and therefore is in violation of the Sherman Anti-Trust Act.

The Sherman Act being a penal statute, proof of its violation must be clear, positive and convincing.

> Northern Securities Co. vs. United States 193 U. S. 197.
> United States vs. Reading Co. 183 Federal 427.

As was said by Judge Carpenter in the lower Court:

> "The court should not construe the acts of the defendants to be illegal, when it can with equal facility, ascribe them to an innocent intention."

We contend therefore that it is incumbent upon the Government to show that the operations of the Bureau necessarily had the effect of curtailing production or enhancing prices. Further, if the Government relies on circumstantial evidence to prove a combination or conspiracy to restrain trade, as it asserts it does, it must show that the

circumstances upon which reliance is placed are inconsistent with supposition of innocence.

The burden is on the Government in this case to prove by a clear and satisfying preponderance of evidence that a combination or conspiracy existed among the defendants to bring about an unlawful result. The rule as to presumptions and burden of proof in a suit in equity for injunction to prohibit violations of the Sherman Act is substantially the same as in a criminal case for violation of the Act. That rule is very clearly announced in the case of Union Pacific Coal Co. vs. United States, 173 Fed., 737, 740, (CCA) Judges Sanborn and Van Deventer, Circuit Judges, and Munger, District Judge, as follows:

> "There was a legal presumption that each of the defendants was innocent until he was proved to be guilty beyond a reasonable doubt. The burden was upon the Government to make this proof, and evidence of facts that are as consistent with innocence as with guilt is insufficient to sustain a conviction. Unless there is substantial evidence of facts which exclude every other hypotheses but that of guilt, it is the duty of the trial court to instruct the jury to return a verdict for the accused; and where all the substantial evidence is as consistent with innocence as with guilt, it is the duty of the appellate court to reverse a judgment of conviction."

While this is a civil suit, it is based upon an alleged violation of the Sherman Act, which is a highly penal statute. Thus a judgment under the pleadings in such a civil action must necessarily rest upon the conclusion from the facts that this highly penal statute has been violated.

It is quite useless to review in this brief the decisions of the Courts which condemn combinations and conspiracies in restraint of trade in violation of the Sherman Anti-Trust Act. Each case stands upon its own facts. Each of the reported cases where acts are condemned as combinations and conspiracies in violation of law are well supported by courses of conduct from which any discerning mind can at once come to the conclusion that the conduct complained of constituted a direct restraint upon competition, and artificially interfered with the natural course of trade. We submit that no such degree of proof is present in this case.

We do not feel that it is necessary in this brief to discuss the legal difference between reasonable and unreasonable restraint of trade. We contend that there is no proof submitted in this case to show that *any restraint* was brought about through the dissemination by the Bureau of true, accurate market information as to past transactions. We feel, however, that what is the test of reasonable or unreasonable restraint of trade is not out of

place in this case, and we therefore quote below a portion of the opinion of the Circuit Court of Appeals for the Sixth Circuit. United States vs. Addyston Pipe & Steel Company, 85 Fed. 271-282.

> "In Horner v. Graves, 7 Bing. 735, Chief Justice Tindal, who seems to be regarded as the highest English judicial authority on this branch of the law (see Lord Macnaghten's judgment in Nordenfelt v. Maxim Nordenfelt Co. (1894), App. Cas. 535, 567), used the following language:
>
> "We do not see how a better test can be applied to the question whether this is or not a reasonable restraint of trade than by considering whether the restraint is such only as to afford a fair protection to the interests of the party in favor of whom it is given, and not so large as to interfere with the interests of the public. Whatever restraint is larger than the necessary protection of the party requires can be of no benefit to either. It can only be oppressive. It is, in the eye of the law, unreasonable. Whatever is injurious to the interests of the public is void on the ground of public policy."

There is no proof in the record that the interests of the public were injuriously affected by the operations of the Linseed Oil Council under the Bureau's service or that buyers of Linseed Oil ever complained that they were being penalized by prices quoted by the members of the Council. Further,

there is no proof in the record that crushers outside of the Council were injuriously affected in their efforts to compete for the business of the crusher defendants. Those who are injured are the first to complain, and the Government submitted no testimony that any one had complained against the operations of the Bureau.

It is a matter of record, however, that buyers called by the Government and the defendants testified that they never considered that the prices quoted by the defendant crushers while members of the Linseed Oil Council were out of line with price of flaxseed. This fact we assert ought to be proof sufficient that no one was burdened by reason of the exchange of accurate market information set forth in this case.

Below is quoted an excerpt from an opinion in the case of United States vs. United States Steel Corporation, 223 Fed. 154, 155:

> "We may begin the discussion by quoting the Government's concession in the original petition:
>
> " '*It is not here alleged that merely assembling and mutually exchanging information and declaration of purpose amount to an agreement or a combination in restraint of trade.*
>
> "*With this concession we are in full accord.* In these days every large business has its

societies and associations, and these meet periodically to exchange information of all kinds, to compare experiences, to take note of improvements in machinery or process, to discuss problems, and generally to profit by the interchange of ideas and the study of observed facts. When the business is manufacturing, of course, all this has a direct bearing on the subject of prices, and these conferences may therefore consider that subject specifically. It is probably unusual, however, to find such a meeting making a declaration of intention to charge such and such prices, although a mere declaration to that effect could hardly be regarded as unlawful. *Freedom of speech and freedom of individual action are justly prized in American society, and no legislation forbids men to come together and speak freely to each other about every detail of their common business.* And if each individual should choose to announce at such meeting the specific price he intends to charge for his wares, we are aware of no law that forbids him to do so." (Italics ours.)

It will be noted from the above that the Government conceded that merely assembling and mutually exchanging information and declaration of purpose did not amount to an agreement or a combination in restraint of trade. We call the Court's attention to the fact, however, that while there was an assembling and exchanging of in-

formation as to past transactions, there never was a declaration of purpose amounting to an agreement of any kind. The opinion of Judge Carpenter in this case with reference to the assembling and exchanging of market information is entirely in accord with the portion of the opinion in the steel case quoted above.

It is true that the crushers did have the benefit of accurate information which assisted each in individually forming his own judgment as to the prices he should charge for his product. Every one who has anything to sell always seeks to ascertain what others are selling the same products for. There can be no violation of law in that. Can it be said to be unlawful if persons having like products for sale agree among themselves to inform each other as to the prices that *have* prevailed? Nothing further was done by the linseed oil crushers. They had freedom to contract, to do a lawful thing, and they did nothing more. Not a scintilla of evidence has been presented in this case that indicates, by inference or otherwise, that the exchange of information by the Linseed Oil Crushers brought about an artificial influence on the linseed oil market.

The language of the Chief Justice in the opinion in U. S. vs. U. S. Steel Corporation, 251 U. S. 417, is apt on this point where he says:

"The opinion of an editor of a trade journal is adduced, and that of an author and teacher of economics, whose philosophical deductions had, perhaps, fortification from experience as Deputy Commissioner of Corporations and as an employee in the Bureau of Corporations. His deduction was that when prices are constant through a definite period, an artificial influence is indicated; if they vary during such period, it is consequence of competitive conditions. It has become an aphorism that there is danger of deception in generalities, and in a case of this importance we should have something surer for judgment than speculation, something more than a deduction equivocal of itself, even though the facts it rests on or asserts were not contradicted. If the phenomena of production and prices were as easily resolved as the witness implied, much discussion and much literature have been wasted and some of the problems that are now distracting the world would be given composing solution. Of course competition affects prices, but it is only one among other influences, and does not more than they register itself in definite and legible effect."

The Court cannot, and will not, decide this case on guess or presumptions not supported by evidence, but can, of course, only find the existence of a purpose to artificially influence prices, and the affecting thereof, by A CLEAR AND SATISFYING PREPONDERANCE OF THE EVIDENCE.

Applying the test of the Supreme Court in the language of the opinion in Board of Trade of Chicago vs. U. S., 246 U. S., 231, how can there be spelled out of the conduct of the linseed oil crushers any purpose or effect of lessening or suppressing competition?

The language of the Court applying such test is set out on page 238 of that opinion as follows:

> "Every agreement concerning trade, every regulation of trade, restrains. To bind, to restrain, is of their very essence. The true test of legality is whether the restraint imposed is such as MERELY REGULATES and perhaps thereby PROMOTES COMPETITION, or whether it is such as may SUPPRESS or even DESTROY COMPETITION. To determine that question the Court must ordinarily consider facts peculiar to the business to which the restraint is applied; its condition before and after the restraint was imposed; the nature of the restraint and its effect, actual or probable. The history of the restraint, the evil believed to exist, the reason for adopting the particular remedy, the purpose or end sought to be attained, are all relevant facts. This is not because a good intention will save an otherwise objectionable regulation, or the reverse; but because knowledge of intent may help the Court to interpret facts and to predict consequences." (Emphasis ours.)

In State vs. Arkansas Lumber Co. (360 Missouri 212-169 S. W. 145-177) the Court held:

> "If in the instant case there had been touching this price current matter no antecedent unlawful acts of the Yellow Pine Association, if this association had not for years promulgated as current price lists which falsely represented and arbitrarily fixed the prices of yellow pine lumber pursuant to the adopted report of a committee on values, and if Smith, the secretary of the association, pursuing the lawful methods originated by him of obtaining records from correspondence of actual sales, had fairly compiled and averaged such reports into a list of current prices of yellow pine lumber, we would not say that Smith's acts or the acts of the association in his behalf were unlawful."

Was the information as to prices quoted such information as could lawfully be distributed and received by competitors? If answered in the affirmative, the next question, is, "Was this information used in an unlawful manner to artificially affect prices, and if so, how?" We assert that before the Court can find an unlawful use by the defendants of such information, it is necessary to find that there was an agreement, express or implied, to unlawfully use the information.

In U. S. v. Prowaty & Sons, 251 Fed. 375, 377, the Court, in quoting from U. S. v. Naval Stores Co., 172 Fed. 455, 460, said:

> "The gist of the offense is the unlawful agreement * * *. WITHOUT CORRUPT UNDERSTANDING THERE IS NO CONSPIRACY." (Emphasis ours.)

Again, the Court at p. 377, said:

> "In my opinion, unlawful agreement is the essence of the offense of combination or conspiracy under the Sherman Act. It is what separates what is permitted from what is forbidden. To hold it illegal for persons in the same business and same trade organization, after exchanging information and views, to act in the same way, but independently of each other, on buying, selling, or prices, would extend the scope of the act beyond anything heretofore decided and beyond its proper meaning, and would cause the greatest confusion and uncertainty."
>
> * * * * * *
>
> "The Government's contention that the indictment alleges an agreement to which the defendants were parties is based principally on the word 'concerted.' It is a word which unquestionably is often used in a sense implying agreement. But it is also used to describe similar action by different persons with the same object in view, not proceeding from agreement between them."

So far as we can ascertain no court, State or Federal, has ever held that the collection and dissemination of true, accurate market information, although obtained from and exchanged by competitors, constituted a violation of law as part of a combination or conspiracy in restraint of competition or trade. And we contend that Justice Clarke in his opinion in the Hardwood Lumber Case expressed the view that the interchange of true accurate market information as to past transactions did not constitute a violation of the Sherman Law when he said:

> "This elaborate plan for the interchange of reports does not simply supply to each member the amount of stock held, the sales made and the prices received, by every other member of the group, thereby furnishing the data for judging the market, on the basis of supply and demand and current prices." * * *

CONCLUSION

After the statements, claims and contentions of the Government are stated and summed up we submit that the showing which it attempts to make falls far short of proving that there was any such combination or conspiracy as alleged in the complaint.

The fundamental proposition in this case is that the defendants exchanged market information, but

there is no proof in the case, circumstantial or otherwise, that the exchange of such information artificially affected the market of linseed oil. Absolutely nothing is presented to show that market conditions would not have been exactly the same as they were if there had been no Bureau or exchange of market information and the crushers had received information through their own individual efforts. It is undisputed that the linseed oil market followed the flaxseed market, and that the flaxseed market is a constantly active market, uncontrolled by the defendants. It is also the undisputed fact that the prices of linseed oil were never out of proportion to the price of flaxseed except for a short period when the crushers were selling oil below the cost of replacement. No evidence is presented that the price of linseed oil was unreasonably high or that the crushers made large profits.

No evidence is presented that the buyers of linseed oil, at wholesale or retail, were in any way burdened by the activities of the defendants. The market went up and down, had its periods of inactivity, and the competitive bidding for business of buyers remained substantially the same as it did during the thirty-two years previous as shown by the Table of Prices during these thirty-two years. (Defendant's Exhibit 2.) The formation and the activities of the Bureau did not prevent the price

of linseed oil falling about forty cents per gallon during the first four months of its operation, nor did it bring about the rises and falls in the later months.

The most that can be said relative to the exchange of statistical market data is that it gave each crusher better, more complete and dependable information as to the condition of the market. This each was trying to get by his own effort and at his own expense. There can be no objection, legal or otherwise, to the Bureau's procuring such information for clients at a remuneration to the Bureau. They were previously procuring it as best they could through their own sales forces.

In order to be of service, earn its compensation, and remain in business, the Bureau must be jealous and safeguard its own business integrity. It must insist that the information which it receives and relays be absolutely accurate and dependable and that it is as complete as required by the contract. Otherwise, the Bureau could not function or continue in business. If the Bureau had sent out inaccurate information, its service as a clearing house for market information would have been discredited. Each crusher used the information he received from the Bureau in the same manner as formerly when he received it from his own agencies, that is, to form his own judgment as to the state of the market, and as to when, where, and

at what price he should sell his own product. Nothing can be deduced or inferred from any testimony of the defendants that they entered the service with the intent to artificially affect prices, nor can any such deductions or inferences be drawn from the activities of the defendants or the result of such activities.

These crushers did nothing more than any other prudent business man endeavors to do when he explores every avenue of his industry to ascertain the facts relative thereto. Because he gets better and more accurate information by agreeing *with a Bureau*, to exchange such information as he may have for like information from his competitors, does not make such arrangement illegal. There must be a purpose, intent and effect of artificially affecting the market. We therefore submit that this Court should endorse and adopt the findings of fact and argument of Judge Carpenter in his opinion. It bears evidence of having been carefully, fully and conclusively thought out after weighing all the evidence and the economic and legal principles involved. His conduct and participation at the trial indicated that he had a clear insight into manufacturing and merchandising problems, business ethics, and a practical knowledge of how they should be applied. He knows, as every one ought to know relative to present day business, that

"In order to obtain efficiency in business, as well as other human activities, it is necessary to have reliable, immediate and adequate records. With the progress that has been made in the last century it is not to be expected that business alone has stood still."

* * * * * *

"It is because business is so much more complex, the volume so much greater, the margin of profit on single transactions so much less, that the merchants of today must have at instant command reliable and adequate information, immediately to be secured and more or less permanent in form. *Business is no longer a game of chance, but a matter of scientific calculation.*" (Italics ours.)

The Government lends its powerful arm and efforts to the general purpose of procuring statistical information relative to certain industries for the purpose of disseminating it to the particular advantage of all persons engaged in those industries, and the general advantage of all. The Department of Agriculture gathers and disseminates many varieties of statistics relative to the grain and livestock industries, and particularly statistics in reference to markets. Enormous appropriations of money have been made for this purpose.

A proposal is now being seriously made through the press that each day at noon the Department of Agriculture send out by radio the prices in the

grain and cattle market, so that the farmer may pick it up while he eats his dinner. The Bureau of Mines of the Department of the Interior gathers information as to production, importation, exportation, sales, and prices of oils and other mineral products, and distributes the same with great expedition so the same may be of news value to the people interested in the industries.

The Federal Trade Commission gathers such information and sends out reports thereof to the newspaper and pulp industry. It also performs the same for other industries.

The Department of Commerce is engaged in an extensive program of gathering trade statistics in a number of basic industries and reporting the same to all engaged therein.

The Department of Labor gathers information relative to every branch of labor, wages, cost of living and sends it out in compiled form.

There is no department of the Government that has any machinery at all for the collection of trade statistics that does not do so and put it into the channels of industry.

Why then should the Government say that men undertaking to do precisely the same thing, are violating the law? The use of statistics which the Government furnishes aids men to better exercise their own judgment in conducting their business. The Government statistics may even help manufac-

turers to eliminate the wide spread that might exist in the market if they did not have the knowledge which these statistics give them. They are intended to help the recipients thereof to conduct their business more efficiently and advantageously.

There are innumerable private agencies, such as stock exchanges, boards of trade, associations, institutes, trade journals, and newspapers which gather market information, including prices, and give to those interested in same.

It cannot be said that the Armstrong Bureau was not giving its statistical data to the buyers and the public, because all quotations made by its subscribers had to be given the trade before sending it to the Bureau. It is also of record that the Bureau gained a surprising amount of publicity by inviting buyers to inspect the system and the statistics, advertising the Bureau's operations, speaking to organizations of buyers, and laying bare its whole plan of operation to all who were interested therein, including representatives of the Department of Justice and the Federal Trade Commission.

The Bureau did everything it possibly could do to render honest, efficient and lawful service to its clients and the public. Its clients had as lawful right to take the information received from it as they would information received from any Department of the Government, or through their own en-

ergy and initiative and to use it in forming their own independent business judgment.

If thereby a subscriber forsees the high peaks in advancing sales and avoids the low depressions in falling markets, or determines when to sell or when not to sell, or when to increase production and when not, that is an advantage which is his lawful right. Therefore, we assert with confidence that the record in this case discloses nothing of any plan or scheme or device to artificially affect the linseed oil cake or meal market, and there was nothing in the motives, purposes or actions of the defendant crushers than to obtain and use this information freely and without restriction.

The Government has tried to build up a case similar to that of the American Column & Lumber Company vs. United States. In so doing it has attempted to color this case and to cast discredit on the purposes of the defendants in their operations with the Bureau by combing the entire evidence with most exacting diligence. It has used what appear to us to be misrepresentations of fact, misquotations of evidence, partial quotations of documents and statements of witnesses, when full and fair quotations would make them innocuous or beneficial evidence for the defendants; it has indulged in unwarranted inferences and unfair deductions, groundless suspicions and cynical implications to asperse the motives and the conduct of

the defendants. We believe we have with equal diligence but greater care and accuracy of statements met and disproved its accusations of combination and conspiracy fairly, fully and convincingly, and thereby swept away the diversion from the real point of issue herein, which is whether competitors in business can agree to exchange through a private institution price data, and each use the same in forming his own judgment as to the manner of conducting his own business.

The matter of uniformity of price of itself means nothing so far as proof of combinations or conspiracies is concerned if there is no proof of effort to bring it about by concerted action.

Weighing the evidence in this case by every measure, we assert there is absolutely no proof that prices were affected by any concert of action on the part of the defendants. The operations of the Bureau and its clients did not bring about practices which have heretofore been regarded as opposed to good morals. Neither were they characterized by deception, bad faith, or oppression nor were they against public policy because of any tendency to hinder competition or create a monopoly. Competition was at all times keen, free and fair as commonly used and practiced by honorable opponents in trade.

We therefore submit, that the Trial Judge who heard the evidence first hand as it was presented from the mouths of witnesses and from documents as they were read and introduced into the record, did not do violence to the evidence in his opinion but that such opinion is fully sustained by the record and on the basis of law, justice and common sense, and should be affirmed.

Respectfully submitted,

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THE TOLEDO SEED AND OIL CO.,
THE MANN BROS CO.,
ARMSTRONG BUREAU OF RELATED INDUSTRIES,
JULIAN ARMSTRONG,
MONTAGUE FERRY.

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WM. R. STANSBY

No. 307.

IN THE

Supreme Court of the United States

OCTOBER TERM, 1922.

UNITED STATES OF AMERICA,

Appellant,

vs.

AMERICAN LINSEED OIL COMPANY *et al.*

Appellees.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS.

BRIEF ON BEHALF OF APPELLEES, AMERICAN LINSEED OIL COMPANY AND WILLIAM O. GOODRICH COMPANY.

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The facts developed upon the trial are reviewed in the opinion of the court below and are presented with particularity in the brief filed by counsel for other defendants on this appeal. We shall not therefore burden the court with an extensive review of the evidence contained in the record but will limit our discussion of the facts and law to those points which we believe to be controlling.

POINT I.

THE OPERATION OF THE LINSEED CRUSHERS' COUNCIL DID NOT AFFECT THE MARKET PRICE OF LINSEED OIL. THE PRICE OF LINSEED OIL WAS DETERMINED BY THE MARKET PRICE OF FLAXSEED.

The record shows, without any evidence to the contrary, that prices, spot and future, of linseed oil are directly based upon prices, spot and future, of flaxseed; that flaxseed, like wheat and other commodities of like nature, is bought and sold on open exchanges and that fluctuations in flaxseed prices cannot be artificially controlled.

We believe that the important point in this case is the fact that prices of linseed oil are directly based upon the prices of the flaxseed from which the linseed oil is crushed. The flaxseed market is an open market and is a very active and fluctuating market. The crushers of linseed oil had no control over this market and the buyers of linseed oil in making their purchases were affected primarily by their judgment of the course of the flaxseed market. The Government's own witness Sulzberger testified that at no time during the operation of the council was the price of linseed oil disproportionate to the price of flaxseed. To demonstrate how overwhelmingly the facts stated above are supported by the evidence as well as by the decision of the trial court, we are quoting below excerpts from the opinion of the trial court and from the testimony of the witnesses who testified on the trial (both those called by the Government and those called by the defendants).

Opinion of Judge Carpenter (Record, pp. 43, 45-46):

"It appears further that the price of linseed oil is controlled by the price of flaxseed and that the flaxseed market is an open one in which there are wide fluctuations as well as inactive periods. * * *

* * * As the Supreme Court said in the steel case, a uniformity in price does not prove a conspiracy. * * *

Much has been made by counsel for the Government of the fact that prices of oil went up along with the price of flaxseed; that afterwards when flaxseed declined sharply, the price of oil did not come down at the same rate but declined at a much slower pace. The court will take judicial knowledge that for the past several months a decline in prices has been going on. The government has failed to show that the phenomenon of the price of oil declining at a slower rate than the price of flaxseed was not common in other lines, where the price of the raw materials has fallen. That the price of the finished product on a declining market will fall at a slower rate than the price of the raw material is natural, and therefore expected. The price of the finished material, under conceded economic rules in the market where there is competition, will depend upon the supply and demand of the finished material. The drop in the price of the raw material does not affect the supply of the finished material. Time must elapse before the supply of finished material is increased by the low prices of raw material and until the supply of finished material is increased, assuming that the demand remains constant, no decline in price may be expected."

Testimony of William Hoch, one of the Government's witnesses (Record, p. 53):

"I have a working agreement with Hirst & Begley which includes the price of the flax-

seed and the overhead expense and which also includes the working circumstances, etc., in making up the oil."

Cross examination of Mr. Sulzberger, one of the Government's witnesses:

"It has been my experience, even during the Armstrong régime, that flaxseed or the price of oil would fluctuate; that at periods it would be more stable—that is, it would run along when there would be more of an equality as to price—and that there would be other periods when there would be a variation in price" (Record, p. 61).

* * * * * * * *

"In selling my oil I attempt to follow the linseed market, but that is not always a good way, because I have seen flaxseed go up and oil come down and flaxseed go down and oil go up. The flaxseed market is a very feverish one. I cannot recollect any time during the period of the Armstrong Bureau when I thought the price of oil was out of proportion to flaxseed" (Record, p. 63).

Cross examination of Merritt Arthur Richardson, one of the Government's witnesses:

"I recall, as near as my memory serves me, that the high market for flaxseed during the period of the operation of the Armstrong Bureau was $6.40. You bet that did have something to do with the rise in the price of linseed oil. Every time it went up, up went oil. The price of linseed oil usually follows the price of flaxseed on an up market. It does not follow so readily on a declining market. It does follow a declining flaxseed market" (Record, p. 65).

Direct examination of John A. Mann:

"We get the flaxseed that we used in crushing our oil from the Canadian Northwest, our

Northwest, and the Argentine Republic. The markets in which we buy are the Duluth and Winnipeg markets and through importers in New York. The Duluth and Winnipeg markets are just such a market as the wheat market in Chicago, and there is not anyone connected with the crushing business who in any way controls or is connected with the flaxseed market. That market is an open free market or board of trade where we send our brokers into the pit just as you do in any grain market" (Record, p. 67).

* * * * * * * *

"Spot oil means delivery right away, and future delivery means delivery any time in the future that we agree upon. These two methods of sale and delivery of oil are in vogue generally in the linseed oil business, and the future business is the larger; but I could not give the percentage of how much larger it is. We would determine what price ought to be made for future deliveries of oil based on the current prices for future delivery in the seed market. If I sold a man today two carloads of spot oil and two carloads for future delivery, there might be a very decided difference in price. Spot oil might be very scarce, and spot seed might be very scarce and the price correspondingly high. In two or three months, with a new crop anticipated, there might be a lot of seed on the market and we would sell the oil for a much lower price based upon this future price for seed. I should say the price of oil has always been very responsive to the price of flaxseed. There might be an occasional exception, but that is the rule in the business" (Record, pp. 69, 70).

Direct examination of Samuel Mairs:

"Well, I should think that would cover the—the Archer-Daniels Company keeps a representative on the board of trade at Minneapolis, and we buy flaxseed on the grain

exchange. A great many times during the morning the representative calls up and gives us the price of flaxseed, which we use as the basis on which we figure our linseed oil costs. The elements entering into the determination of the price of linseed oil are the working costs and what we think we can get for the cake or meal at the time it is manufactured, depending upon whether it is a spot market in which we are selling the oil or a future market in which we are selling the cake" (Record p. 75).

* * * * * *

"We then get the market price on the flaxseed, figure out what the cost is and make our quotations" (Record p. 76).

"We don't buy the flaxseed until we have all the oil sold. We buy the flaxseed a little ahead of our sales. We don't aim to speculate on the flaxseed market, but we buy the flaxseed as near as we can at the time we sell our oil. If we sell a thousand barrels of oil, which we figure would take about twenty thousand bushels, we go out and buy twenty thousand bushels of seed to take care of it. The only end we have to speculate upon, then, is the rise and fall of the cake market. We have to base our calculations upon what we think we can get for the cake when the oil from that seed is manufactured. If we sell spot oil we try to buy spot seed, unless we have a good, big stock, and then we buy future seed.

If we sell future oil, we would naturally base our quotations on future options, which would eventually be traded for case seed or take delivery for future options. We also buy seed in the Argentine, some c. i. f. in New York and f. o. b. in Argentine" (Record pp. 77-78).

* * * * * *

"Q. Has that deception and misrepresentation as to prices resulted at times in your cutting of prices?

A. It all depends on the flaxseed market and what conditions are; it might" (Record p. 79).

Direct examination of Wm. O. Goodrich:

"I used the information that I got from the Armstrong Bureau to check up my own line of action as to whether or not I could afford to make a price such as was being quoted in connection with the cost and the price of seed" (Record p. 93).

* * * * * *

"My own price has always been a matter for me to determine, depending upon my anxiety to sell and my purchases of seed. I might have been fortunate in buying some seed before the price advanced, so that I was able to make quite a drastic cut without actually losing money, and when there was such circumstances, I did so" (Record p. 97).

* * * * * *

"I do not believe that it is possible to stablize prices in a business like ours, where there is a wide fluctuation in the raw material, often as much as 50 cents in a day, thereby causing the most erratic changes in value. It is quite impossible to talk about stablizing prices. You can not do it; there is no such thing possible" (Record p. 97).

Redirect examination of Wm. O. Goodrich:

"Inactivity in the market would naturally be emphasized when there was a very small amount of general buying, when the demand was small, when the prices of seed had remained stationary, and when there was plenty of seed and no particular reason for anybody wanting to load up with a large amount of

oil. Prices then would be stationary. The market for future oil would depend entirely upon the future seed market and the future cake market, and therefore depends a good deal upon speculation" (Record p. 99).

Redirect examination of Geo. A. Martin:

"From my experience and from my knowledge of flaxseed it is the slipperiest—excuse the slang—the slipperiest market that we know of or have anything to do with; I think as much so as on any commodity sold in the world" (Record p. 107).

Direct examination of F. Carlton Smith:

"We might change our prices twice a day, if we felt so inclined, and we have, in fact, done so during the time of the operation of the Bureau. Such rapid changes might have been due to fluctuations in the flaxseed market or to war conditions" (Record p. 109).

Direct examination of Louis M. Leffingwell:

"Our determination of the price to charge for oil depends on the price of flaxseed, the working cost, and what we get out of the meal" (Record p. 110).

Cross examination of Louis M. Leffingwell:

"I do not know a great deal about our joining the Bureau, except that I believed in cooperation and that where you get market information it is of advantage to you whether it is the price or what. It is the same as getting the cost of flaxseed every day from the chamber of commerce. If we did not know that we could not very well do business and compete" (Record p. 112).

Direct examination of F. K. Quine:

"In making our own prices we first took into consideration the cost of the raw material, the expense of manufacture, what we could get for our by-product, the cake or meal, and the result was the cost of linseed oil to us. If we could get cost, we would get it and a profit, if we could" (Record p. 115).

* * * * * *

"It would depend upon the time of year whether or not there would be any consistency in quotations of spot oil and future oil. For instance, some time between the 15th of May and the 15th of June we will plant a flaxseed crop in this country. Based on the acreage, flaxseed options for next fall may be considerably cheaper than the Case Market, and oil for October or September would sell at a much lower price than the spot oil. I think that the consumption of linseed oil in this country is normally 75,000,000 gallons. I do not know that it has increased in the last three or four years. In fact, I think the consumption last year and the year before was a little less, perhaps, than it was in previous years. The production of American flaxseed has ranged in the last nine years from 7,000,000 bushels to 34,000,000 bushels. In the 1912-1913 crop year I think we secured in this country somewhere in the neighborhood of 34,000,000 bushels. This year our crop will probably run a little under 11,000,000 bushels. The year before last, I think, our crop was in the neighborhood of 7,000,000 bushels" (Record, p. 116).

* * * * * * * *

"We get the seed which we crush from the American Northwest, from Canada and from Argentina. This year half of it will come from Argentina and the other half from Canada and the American Northwest" (Record, p. 116).

* * * * * * * *

"There are times during the advent of a new crop of flaxseed when the spot price differs very materially from the future price. The crop year starts in September. We would quote September-April, we will say, based on the price of the new crop of flaxseed, while August would remain in the spot or near-by situation" (Record, p. 119).

* * * * * * * *

"Q. Now, are you familiar, Mr. Quine, with markets for other commodities besides linseed oil—wheat, for instance? Do you read the newspapers, about wheat quotations?

A. Well, occasionally—only for the range with reference to the probable range of flaxseed, which moves usually in sympathy with wheat" (Record, p. 122).

Cross examination of Ralph B. Bolton:

"Whenever I saw a profit on the reproductive value of the seed I fixed a price to move the oil.

* * * * * * * *

The information as to prices was nothing new to me, as I knew what was going on in our territory all the time and would never be more than two or three hours behind any change of prices, however I might get the information. I never attempted to follow the market. I followed the flax market. I was out to sell oil at a profit wherever I could do so on the flax market" (Record, p. 124).

Direct examination of Charles T. Nolan:

"I have been with the National Lead Company for twenty-one years, and have been buying the oil for them for fifteen or sixteen years. During that time it has been my experience to find both fluctuation and spread in prices. I believe in the last two or three years the spreads have been even wider than they were previously. I certainly know that

to be the case with regard to the price fluctuations. There is a fundamental reason for that. This country reached its peak of production of flaxseed in 1908, and in those days it sold from $1.35 down to as low as 91 c. per bushel over a range of quite a few years. It follows, then, that with the production of flaxseed on a basis of $1.00 or $1.50 a bushel you will likely experience fewer fluctuations than when the flaxseed market ranges from $2.50 to $6.00 a bushel, as has been the case in the last few years'' (Record, p. 126).

Redirect examination of Charles T. Nolan:

"Q. The fluctuations which obtained previously to the formation of the bureau, were those somewhat reduced during the operation of that bureau?

A. No; I think, on the contrary, the fluctuations were very much wider during the operation of the bureau. As I explained, we had a level of raw material prices that were double, treble and even five times, six times as high as they were years back. That does not apply, however, to the time immediately preceding the formation of the bureau, the bureau operations, because we then had a high level of prices.

* * * * * * * *

A. No, for the reason that the fluctuations originate with the raw material end of the business, and as a matter of fact Providence has about 75 per cent of the responsibility of that, and I think human activities are 25 per cent, that is the speculative end. The production of flaxseed and the weather and transportation, all sorts of conditions that develop —really in my mind—if it is my opinion you are asking for?

Q. Yes.

A. Are responsible for a far greater part of the fluctuations in the flaxseed market than any human activities.

Q. That is from time to time?
A. Almost all the time.
Q. The fluctuations you speak of from time to time?
A. I mean all the time, because if it is not true in this country it is true in some other parts of the world. That is, while we are harvesting flaxseed over here they are marketing it somewhere else, and the market is on an international level always'' (Record, p. 128).

The representatives of the defendants whose testimony is quoted above, all held important positions in their companies and had been for many years in the business of manufacturing linseed oil. They knew when they entered the Linseed Crushers Council that linseed oil prices were directly related to and dependent upon flaxseed prices, and they knew that it was practically impossible to bring about any fixed prices for linseed oil. Their purpose in entering the Council was not illegal and the Record shows no illegal results followed.

Much was made at the trial of the Zoning System, of the attempt to standardize terms of sale, and other like activities. The Record shows clearly that all such action was taken only for the purpose of establishing a uniform basis for reports of the Council members. The exchange of market information would not have been valuable if quotations, reports and sales had not been made under the same conditions. But the fact that the defendants knew that no fixed prices could result shows conclusively that their activities, including the investigations and reports, of prices at variance with filed prices, were all aimed at obtaining correct market information—

information as to prices based directly on prices of flaxseed which were absolutely not subject to control.

POINT II.

THE MEMBERS OF THE LINSEED CRUSHERS COUNCIL DURING ITS EXISTENCE WERE ACTIVELY COMPETING AGAINST EACH OTHER, AND ALTHOUGH THERE WERE PERIODS DURING THE OPERATION OF THE COUNCIL JUST AS THERE HAD BEEN BEFORE THE COUNCIL WAS FORMED WHEN THE PRICES OF LINSEED OIL WERE UNIFORM, THESE PERIODS OF UNIFORMITY OBTAINED AT TIMES WHEN THE MARKET WAS INACTIVE AND DID NOT OBTAIN WHEN THE MARKET WAS ACTIVE AND SALES WERE LARGE.

An examination of the tabulated statements of daily prices of spot and future linseed oil quoted by the individual crushers (Record, pp. 183 to 252) will show that during the greater part of the operation of the Council there was a divergence in prices or spread in the quotations made by Council members. This spread was more marked in quotations for future oil (Record, pp. 210 to 252) than it was in quotations for oil for prompt delivery or spot oil (Record, pp. 183 to 209). As we shall show below the spread was greater in periods of activity in the linseed oil market when large quantities of linseed oil were sold, and prices were sometimes uniform in the quiet periods when linseed oil was not moving freely.

Much has been said in the government's brief of these periods of uniformity and of the fact that even when prices were not uniform several

of the crushers were quoting the same prices at the same time. Counsel for the government seems to forget that the crushing of linseed oil is an important industry which has been brought to a high state of efficiency, and many of the buyers and consumers of linseed oil are large organizations, mail order houses like Sears Roebuck & Company (Record, p. 52) and various paint, varnish, oilcloth, lineoleum and automobile companies (Record, p. 67). These large consumers keep in touch with the linseed oil market and buy very closely. Each of the large crushers has his sales representative in every important center who must deal with buyers who are also in touch with the representatives of his largest competitors. The sales organizations of the various linseed crushers must therefore of necessity acquaint themselves with their competitors' prices if they expect to carry on a successful business.

This being true it is not surprising that at times there was a uniformity of price and this court has held in *United States* vs. *United States Steel Corporation,* 251 U. S. p. 417, that uniformity of price alone is not evidence of an unlawful conspiracy.

It would be surprising indeed if each of the crushers at the same time had a different price. Obviously, the close buyers would all buy from the crusher having the lowest price. There would, in that case, be no competition; for linseed oil does not vary to any extent in quality (Record, p. 71). The crushers cannot sell their oil in general above the price named by their competitors and do not, of course, wish to sell it for less. In individual cases if a crusher who has bought his raw material favorably wishes to dispose of a considerable portion of his product he will under-

sell his competitors and obtain a large volume of business; if, on the other hand, his competitors have bought their materials at better prices and he believes that the market may advance, he will quote prices somewhat above the market and let his competitors obtain the business for the time being. But by and large both before the operation of the Linseed Crushers' Council, and during its operation the prices of linseed oil, like the prices of other market commodities sold in great quantities by manufacturers whose organizations were nation wide and efficient, did not show a great variance.

The exchange of price information has been criticised because the plan provided for the reporting of price quotations when the market went up as well as when it went down. We have pointed out above that the price of linseed oil is based upon the price of flaxseed. Flaxseed goes up as well as down, and if the individual linseed crusher in following the flaxseed market when it was going up did not know his competitors' prices he would be unable to meet his competitors' competition because if the competitor advanced his price five cents and he made a seven-cent advance, his competitor would obtain the business. It was therefore necessary for the individual crushers to obtain quotations of price changes when the market was going up as well as when it was going down.

POINT III.

THE CORRESPONDENCE BETWEEN THE ARMSTRONG BUREAU AND THE MEMBERS OF THE LINSEED CRUSHERS COUNCIL INDICATES CLEARLY THAT THE INDIVIDUAL COUNCIL MEMBERS WERE ACTIVELY COMPETING WITH EACH OTHER, AND THE VERY INSISTENCE BY THE INDIVIDUAL MEMBERS THAT THE REPORTS OF PRICE CHANGES SHOULD BE PROMPT AND ACCURATE NEGATIVES THE EXISTENCE OF ANY UNDERSTANDING OR AGREEMENT TO MAINTAIN ABRITRARY PRICES.

A very large part of the Government's brief (pp. 70 to 117) relates to the inquiries and exchange of views through market letters. This is practically all correspondence showing efforts to check up sales which had been reported at prices other than filed prices and complaints that prompt reports had not been made. Obviously if the members of the Council were to obtain information as to their competitor's prices it would be of no assistance to them unless the information was prompt and accurate. The efforts of the members to verify the accuracy of price changes made by their competitors indicates nothing more than that the individual members desired that the Council should do what it purported to do—keep each member constantly informed as to his competitors' prices.

As was stated by the sales manager of the American Linseed Company in his letter, dated March 19, 1919 (Record, p. 434):

> "As long as no deviation is being made from their published price by the Midland Company without notice, we are perfectly satisfied."

In other words, his interest was not in having the Midland Company maintain even its own price, but in having it live up to its contract with the Armstrong Bureau by notifying the Bureau in case "deviation is being made from their published price."

By the interchange of price quotations through the Council the members were endeavoring to obtain more accurately and more promptly than they had theretofore information as to their competitors' prices. Unless they knew the prices of their competitors they could not compete with them. It was, of course, possible by indirect methods for the crushers to obtain such information as to their competitors' prices. This was often done through some favored consumer who was friendly to a particular crusher and who would report price changes to this crusher after he had ascertained them by inquiry from the other crushers. This method of procedure was undignified. It was often inaccurate because the competitive crusher sometimes saw that the consumer was asking for quotations to report to some other crusher rather than as a basis for his own buying. Then too it was apt to be slow as the inquiring crusher was, of course, unable to insist that the consumer obtaining prices for him make prompt reports.

There was no privacy in the quotations made by the crushers. They were sent out to their trade when prices were changed and were freely made to any consumer whom they believed to be in the market for linseed oil; nor were the crushers so numerous that any consumer of a fair quantity of linseed oil could not obtain quotations from the various crushers selling in his territory and

thereby acquaint himself with the spread of their respective prices.

The operation of the Council in the exchange of price information, therefore, simply enabled the crushers to obtain reports more promptly and with more accuracy than they had done before the formation of the Council and enabled them to meet competition as soon as it appeared.

POINT IV.

THE GOVERNMENT'S ARGUMENT AT PAGES 124 TO 136 OF ITS BRIEF BASED UPON THE UNIFORMITY OF PRICES AT VARIOUS PERIODS DURING THE OPERATION OF THE COUNCIL IS PALPABLY MISLEADING.

As we have heretofore stated in our brief, there were times when the prices of spot and future oil were uniform. These were periods of inactivity in the market. The business done in spot oil during the active periods ranged from one-seventh to one-tenth of the business done in future oil. The uniformity was somewhat more marked in spot oil than in future oil.

This being so, the Government would have this court believe that there was a conspiracy or understanding to fix prices in spot oil which constituted perhaps one-fifth of the total amount of oil sold and that there was a conspiracy to control prices of future oil at a time when very little future oil was sold; in other words, that the Council functioned to regulate prices when very little oil was sold but did not function to regulate prices when great quantities of oil were sold; that because something less than

10% of the linseed oil, spot and future, sold was sold at a time when there was uniformity of prices in spot and future oil, there must have been a conspiracy to fix and maintain prices. Such an argument is, of course, preposterous. It seems to be born of the necessity of the situation. The fact that no attempt is made in the Government's brief to point out the quantities of oil sold when prices were uniform and the quantity of oil sold when there was a disparity between the prices of the various crushers, indicates an unwillingness on the part of the Government to present all of the facts. We give below a summary of the spot oil and future oil sold during active periods in the operation of the Council. This shows that future oil was sold in much greater volume than spot oil. We also give below the amount of oil sold during the periods when prices were uniform. A comparison of these amounts with amounts sold in corresponding periods when there was a disparity in prices will show how little weight in fact there is in the Government's argument along these lines.

In the weeks ending August 16, 1919, to October 11, 1919 (a period of 9 weeks), there were sold in Zone 2, 5,204,859 gallons of future oil and 453,659.80 gallons of spot oil. (Record, p. 278—totals of sales of spot and future oil shown on first table.)

In the weeks ending October 18, 1919, to December 13, 1919 (a period of 9 weeks), there were sold in Zone 2, 5,871,880 gallons of future oil and 716,363.8 gallons of spot oil. (Record, p. 278—totals of spot and future oil shown on second table.)

In the weeks ending April 19, 1919, to June 14, 1919 (a period of 9 weeks), there were sold in Zone 3, 6,097,365 gallons of future oil and 1,090,-924 gallons of spot oil. (Record, p. 282—totals of spot and future oil shown on second table.)

In the weeks ending June 21, 1919, to August 16, 1919 (a period of 9 weeks), there were sold in Zone 3, 4,400,750 gallons of future oil and 773,856 gallons of spot oil. (Record, p. 283—totals of spot and future oil shown on first table.)

In the weeks ending August 23, 1919, to October 18, 1919 (a period of 9 weeks), there were sold in Zone 3, 5,086,790 gallons of future oil and 706,522 gallons of spot oil. (Record, p. 283—totals of spot and future oil shown on second table.)

In the weeks ending October 25, 1919, to December 13, 1919 (a period of 8 weeks), there were sold in Zone 3, 6,273,700 gallons of future oil and 954,562 gallons of spot oil. (Record, p. 284—totals of spot and future oil shown on first table.)

During all of the periods mentioned above there was a competitive spread in prices quoted by the crushers for future oil, except in one or two instances on isolated days. It will be seen that the sales of future oil in the periods of activity were from 6 to 11 times the sales of spot oil.

For purposes of comparison with the active periods, we give below the totals of sales of spot and future oil during the inactive periods when prices were uniform.

In the weeks ending November 30, 1918, to March 1, 1919 (a period of 14 weeks), there were sold in Zone 1, 950,509 gallons of spot oil and 402,400 gallons of future oil, a total of 1,352,909 gallons (Record, pp. 270-271,—totals of sales of spot and future oil shown in the last column of first table on page 270 the 9 columns of second

table on page 270 and 4 first columns of first table on page 271).

In the weeks ending November 30, 1918, to March 1, 1919 (a period of 14 weeks), there were sold in Zone 2, 507,650 gallons of future oil and 751,406.33 gallons of spot oil, a total of 1,259,056.33 gallons (Record, pages 275-276,—totals of sales of spot and future oil shown in last column of first table on p. 275, the 9 columns of the first table on page 276 and the first 4 columns of the second table on page 276).

In the weeks ending November 30, 1918, to March 1, 1919 (a period of 14 weeks), there were sold in Zone 3, 844,750 gallons of future oil, and 1,208,397 gallons of spot oil, a total of 2,053,137 gallons (Record, pp. 281-282,—totals of sales of spot and future oil shown in last column of first table on p. 281, the 9 columns on second table on p. 281 and the first 4 columns of the first table on p. 282).

It therefore appears that, considering the amount of linseed oil, spot and future, sold in Zone 2 and Zone 3 (being the largest zones and fairly representative of the proportion), about four times as much oil was sold in these two zones in the nine weeks' period, when sales were active, as was sold during the fourteen weeks' period when sales were inactive; or in other words, that the weekly average of sales in these inactive periods were less than one-seventh the weekly averages during the periods of activity in Zone 2 and one-fifth the weekly averages in the active periods in Zone 3. Indeed, the record shows that in the week ending October 11, 1919, Spencer Kellogg & Sons, Inc. (subscriber No. 12), sold 1,436,000 gallons of future oil in Zone 2. This was a greater

amount than the 1,259,056.33 gallons of linseed oil sold by all the crushers in Zone 2 in the fourteen-week inactive period from November 30, 1918, to March 1, 1919.

The illustrations we have given above show the true relationship of the periods of uniformity to the other periods. When the flaxseed market was active and linseed oil was sold in large quantities, there was a spread in the prices quoted by the crushers, and price changes were frequently made. When the market was inactive and the oil was only marketed in relatively small quantities, price uniformity was more frequent. But this state of affairs was not peculiar to the operation of the Linseed Council. It had existed before the Council was organized and it exists in other industries where the competing sellers have large organizations and where the competing buyers have the means of keeping in close touch with the seller's prices.

POINT V.

THE DECISION OF THE COURT BELOW TO THE EFFECT THAT THE FACTS ADDUCED AT THE TRIAL DID NOT CONSTITUTE A DIRECT AND UNDUE RESTRAINT OF COMPETITION AMONG MEMBERS OF THE LINSEED CRUSHERS COUNCIL, SUPPORTED AS WE HAVE SHOWN BY A GREAT PREPONDERANCE OF EVIDENCE, IS ENTITLED TO GREAT WEIGHT IN THIS COURT.

The greater part of the government's brief is an attack upon the findings of fact of the Trial

Court. The government attempts to overcome the direct evidence given in favor of the defendants upon the trial both by witnesses for the government and by its own witnesses by assembling scraps of evidence and basing on them inferences and surmises. We are confident, however, that the record as a whole conclusively supports the judgment of the Trial Court; for it can not be gainsaid that the prices made by the individual crushers were at no time arbitrary prices when considered in relation to the market prices for flaxseed; that no attempt was made to interpret statistics for the purpose of arriving at a composite or uniform price or for the purpose of urging the crushers to raise their prices; that there was no effort made to curtail production (the evidence in fact shows that no rise in price occurred because of curtailment in production, except as far as such curtailment was necessitated by a shortage of flaxseed); that there was no attempt by the crushers to reach any understanding or agreement as to prices or to determine price policies. There being evidence in favor of the defendants on all of these points we believe that this is a proper case to invoke the rule that the findings of the Trial Judge who saw the witnesses and heard their testimony are entitled to great weight on appeal.

U. S. v. *United Shoe Machinery Co.*, 247 U. S. 32;
Adamson v. *Gilliland*, 242 U. S. 350;
Davis v. *Schwartz*, 155 U. S. 631;
Tilgham v. *Proctor*, 125 U. S. 136.

We respectfully submit that the judgment of the court below dismissing the bill of complaint was right and should be affirmed.

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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, A. D. 1922.

No. 307

UNITED STATES OF AMERICA,
Appellant,

vs.

AMERICAN LINSEED OIL COMPANY, et al.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS.

BRIEF OF WM. J. MATTHEWS AND HUGH T. MARTIN, AS AMICI CURIAE.

WM. J. MATTHEWS,
HUGH T. MARTIN,
as Amici Curiae.

CHAMPLIN LAW PRINTING CO., CHICAGO

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BRIEF OF WM. J. MATTHEWS AND HUGH T. MARTIN, AS AMICI CURIAE.

INTRODUCTION.

Have American business men the right to collect and exchange market news with regard to their own business or industry? Does the collecting and exchanging of such market news tend to restrain trade or to promote it? Can men get such information only from a newspaper or from a government bureau, or have they the right in the collection and distribution of market news to act co-operatively? These are the fundamental questions involved in this case.

The facts in and of themselves are simple, and as to them there can be little controversy. But from these facts counsel for the Government, in order to show a violation of the Anti Trust Law, make deductions of economic theory which are unsupported by the standard authorities in the field of political economy, and which

are contrary to the practical experience and observation of business men. To brand these defendants as criminals, it has been found necessary to make statements which are unsupported, and which in the nature of things must continue to rest on the *ipse dixit* of the counsel for the Government.

We will therefore crave the indulgence of the court for quoting freely from the standard writers on political economy in our endeavor to show the real nature of the organization known as the Armstrong Bureau of Related Industries, its purpose, the economic need for the service which it performed, and the actual results from its operation. We shall endeavor to show that it was not in its essence different from other economic agencies which have been in operation for many years, many of which, at enormous expense are being operated by the Government itself; that it was the usual and not the strange or bizarre in the business world, and that the necessary as well as actual result of its operation was to facilitate and develop trade and commerce in linseed oil, and not to restrain it.

The Linseed Oil Industry.

Linseed oil is made from the crushing of flaxseed, and the producers are sometimes herein referred to as "Crushers." Flaxseed is the principal ingredient, and the cost of flaxseed constitutes approximately seventy-five per cent of the cost of linseed oil. A by-product in the nature of cake or meal, results from the crushing of the seed, and is sold for feed for live-stock. Cake or meal is what is left after the oil has been extracted from the flaxseed.

Flaxseed is raised principally and almost exclusively in Minnesota, the Dakotas and Canada, and the Argentina,

South America. The raising of flax is hard on the soil, and consequently cannot be grown successfully many years in succession upon the same land. It is a crop that is peculiarly susceptible to climatic and fertilizing conditions and requirements, and consequently less regular and dependable even than most other crops. Some years there are almost total crop failures of flaxseed, either in one or the other of the countries of the U. S. and Canada or the Argentina. The leading crushing plants are located in Minneapolis, Buffalo and New York City. Other plants, somewhat smaller in size, are located at Milwaukee, Chicago and Cleveland, and still smaller ones in other cities, chiefly in the middle western states. The defendants, Sherwin-Williams Company, Cleveland, Ohio, and the National Lead Company, New York City, are large manufacturers of paint. The crushing of linseed oil is the smaller part of their business. The former produces about 30,000 to 40,000 barrels of oil a year, and consumes and sells, combined, between 75,000 and 100,000 barrels. In other words, that company buys between 60 and 70 per cent of the oil it consumes and sells. The National Lead Company purchases about 35,000 barrels, crushes about 75,000 barrels, and consumes about 50,000 to 55,000 barrels. In other words, this company buys and crushes in all a little over 100,000 barrels annually, and uses in the manufacture of paint and lead one-half of that entire amount, and sells the remaining half. It buys one-third of its entire requirements. The two companies do not sell to middlemen, but principally to dealers and consumers and hence their sales are nearly, in all, about 90 per cent for spot or immediate delivery; they sell practically none for future delivery, and only on quotations; they do not have price lists.

There is an open market for flaxseed at Minneapolis, Duluth and some other points. There is no open market

for linseed oil. The flaxseed market is regarded as
"feverish" market, and frequently evidences violent a
wide fluctuations. The peak of flaxseed production w
reached in the United States in 1908, and the price
flaxseed for several years after that year ranged betwe
91c and $1.35 per bushel. Whereas for several yea
prior to and including 1921 flaxseed was from $2.50 to
a bushel.

Linseed oil is sold for spot, immediate delivery, and f
future delivery. The larger amount is sold for futu
delivery. Large buyers enter the market usually twi
and sometimes three times a year. They buy in the su
mer for the fall and the winter; and they buy in the f
for the spring. The periods intervening are inactive.

When there is a good crop of flaxseed in this countr
most of the crushing is done in Minneapolis. On t
other hand, when there is not as good a crop in this cou
try as there is in Argentina, the crushing is done pri
cipally in New York and Buffalo.

STATEMENT OF CASE.

On June 30, 1920, the United States District Attorney for the Northern District of Illinois, filed a bill in equity on behalf of the United States alleging that these defendants had entered into a conspiracy in restraint of trade and commerce as forbidden by the Sherman Anti Trust Act. Full answer was made by the various defendants, and the case came on for hearing before Honorable George A. Carpenter, Judge of the United States District Court. A full hearing was had, many witnesses were heard, and much documentary evidence was also submitted. Elaborate written as well as oral arguments were submitted to the court and after some months of consideration, Judge Carpenter reviewed the evidence in a very clear opinion, found that there was no conspiracy in restraint of trade on the part of the defendants or any of them, and that the information which was collected through the medium of the Armstrong Bureau was of the nature of *"Market News"* which of necessity men must collect and use in any business, if they are to compete; that there was no evidence of its misuse; that the Armstrong Bureau was what it claimed to be, a bureau of intelligence and that it tended to promote real competition, rather than to restrain it. The court therefore dismissed the bill for want of equity.

Thereupon, the Government appealed to this court.

The allegations of this bill charge that the defendants had agreed, combined and conspired to restrain interstate trade and commerce in linseed oil, by suppressing competition in prices, enhancing prices and retarding the lowering of prices in violation of the Anti-Trust Act.

In support of these charges, the Government claims to have shown the following:

First: That the defendant, Julian Armstrong, under the name and style of Armstrong Bureau of Related Industries, entered into a series of similar contracts with the other defendants, called "Subscribers," providing for the carrying on of certain co-operative activities, pertaining to the linseed oil industry, and including the collection and distribution of market facts, chiefly:

(1) Current quotations on linseed oil.
(2) Daily sales reports showing quantity, kind, price, terms and whether for immediate (spot) or future delivery.
(3) Weekly sales compiled reports, showing total sales for each subscriber for designated areas or zones.
(4) Monthly reports of stocks of oil, cake or meal on hand not covered by sale or contract.
(5) Special information upon request for the purpose of verifying the correctness of the reports previously filed or through inadvertence, or otherwise, not filed.
(6) General information pertaining to the industry.

Second: That the Bureau agreed to collect and distribute such information and perform such services as required by the terms of the contract, for a consideration.

Third: That in accordance with these contracts the subscribers filed with the Bureau their individual price lists, and promptly by telegraph notified the Bureau of any changes or deviations therefrom, and also furnished the other facts prescribed by the contract. That these facts were promptly sent out to the subscribers by the Bureau.

Fourth: That the Bureau on various occasions reprimanded subscribers for making sales of oil at less than

the price quoted by the subscriber and filed with the Bureau, and thereafter failing to notify the Bureau as to the new price.

Fifth: That certain statements of Julian Armstrong or his Assistant Montague Ferry, and possibly of some others in favor of "stabilization of prices" and of "constructive competition," whatever those phrases may mean, showed an intention to limit competition among the subscribers.

Sixth: That the United States and Canada were divided into nine zones, and that the differentials in prices, made in the respective zones, were arbitrary, and not based on the differences in the cost of transportation.

Seventh: That the subscribers held monthly meetings for the purpose of discussing matters pertaining to the industry.

Eighth: That the inevitable effect of such operations was to restrict and limit competition among the subscribers, and bring about a narrower spread in prices than existed before or after the activities of the Bureau, and that prices were thereby enhanced, maintained and the reduction thereof retarded.

BUT THE FOLLOWING FACTS ARE ALSO TO BE NOTED:

First: The information collected by the Bureau and distributed to the subscribers was what is known as "Market News," and was of the same kind and character which every prudent man, be he business man or otherwise, secures or endeavors to secure, before entering into any business transaction, whether it involves much or little in amount, and information which is absolutely essential in order that there be competition.

Second: The information collected and distributed by the Bureau was TRUE. There is no allegation or claim that

any statements of fact or of statistics were false, or that any facts were withheld or suppressed.

Third: There is no allegation or proof that the price lists filed from time to time with the Bureau were not *bona fide* individual price lists, made in the regular course of business and *already offered to customers or prospective customers.*

Fourth: There is no allegation or proof that the subscribers at their meetings or elsewhere discussed prices or made agreements with regard to prices.

Fifth: There is no just claim and no evidence that prices asked by any of the subscribers during the period the Bureau was in operation were too high, or not in accordance with the market price of flaxseed on which the price of linseed oil is substantially ultimately based.

Sixth: With the exception of one customer, whose financial credit was admittedly reasonably questioned, no customer came forward with any claim of unjust treatment, and no competitor came forward with any claim of unfair or unjust practices, or unfair methods of competing.

Seventh: There is no claim and no evidence that the subscribers in any way limited production during the period of the operation of the Bureau. It is expressly conceded by the Government that there is no charge of curtailment of production (Rec. 72).

Eighth: There is no claim and no evidence that the subscribers by agreement of action, or implied agreement, refrained from seeking business which was being sought by other members of the Bureau.

Ninth: There is no claim and no evidence that the subscribers of the Bureau by agreement or otherwise limited themselves to any section of the country, or in

any way divided up the business, or entered into any "pooling" operation.

Tenth: There is no showing and no evidence to the effect that any subscriber was under any obligation or constraint legal, moral or social, or that any subscriber had any understanding to ask higher prices, or maintain prices, or limit production other than *is claimed* to have been *implied* by reason of, or because of the *mere exchange of information.*

Eleventh: There is no showing and no evidence that the prices asked by the individual subscribers of the Bureau were not the prices fixed by them individually upon their own final judgment as to the factors, including going prices, which affect supply and demand.

Twelfth: There was no showing that the effort to establish zones was not a sincere effort to reasonably set forth the differences in freight rates between the different parts of the country, and it was further clearly shown that the subscribers at all times were willing to sell the customers either f. o. b. the mill or f. o. b. the place of the customer, so that if for any reason the purchaser believed that the zoning system was unfair to him, he could pay the price at the mill and pay his own freight.

Thirteenth: There is no evidence that any subscriber to the Bureau had any understanding either with the Bureau or with any of the subscribers, to ask higher prices or maintain prices or limit production.

Fourteenth: There is no evidence that the prices asked by the subscribers to the Bureau during the period in question were any higher, if they were as high, as the prices of other crushers of linseed oil who were not subscribers to the Bureau.

Fifteenth: There is no showing and no evidence that the alleged tendency toward stabilization or uniformity

of price on any given day, was not due to the competition between the subscribers in accordance with economic law and not to a lessening of competition between them.

Sixteenth: There is no evidence that a rise of prices restrains trade or commerce when the resulting higher prices are in harmony with economic conditions and are not caused by monopoly, suppression of competition or some other artificial factor.

Seventeenth: The Bureau operated from October 1, 1918, to June 30, 1920, a period of twenty-one months, during all of which time prices of every commodity, stocks and bonds rose rapidly, and to very high points.

Eighteenth: There was nothing secret about the activities nor the operations of the Bureau.

WHEN THESE FACTS ARE CONSIDERED IT BECOMES CLEAR THAT THE EVIDENCE FAILS TO SHOW THAT THE ARMSTRONG BUREAU, BY AGREEING TO FURNISH TO ITS SUBSCRIBERS MARKET NEWS WITH REGARD TO THE LINSEED OIL INDUSTRY WAS A PART OF A CRIMINAL CONSPIRACY IN RESTRAINT OF TRADE OR COMMERCE, BUT THAT SUCH A CLAIM IS A PURELY GRATUITOUS ASSUMPTION, FOUNDED ON SUSPICION AND A MISUNDERSTANDING, IF NOT A DISREGARD OF BUSINESS METHODS AND ECONOMIC LAW.

ARGUMENT.

At the very outset of this argument, we propose to discuss the nature of "Market News" to show its necessity and its true function. We propose to show the relation of market news to prices, and that it is a prerequisite to competition. We propose to show that the Armstrong Bureau was a proper agency for the collection of market news, that it did not in any way restrain trade or commerce, and that it did not engage in any practices injurious to the public or forbidden by the law.

In order that the court may know that we are not ourselves manufacturing economic theories to meet the exigencies of the occasion, we shall quote freely and at length from standard writers on economics and especially of that phase of distribution known as Marketing. In the light of the established fundamental principles as by them set forth, we shall then discuss the specific facts in this record.

I.

MARKET NEWS IS THE VERY BASIS OF COMMERCE.

The principle is clearly set forth by the great English economist, William Stanley Jevons in his work, "The Theory of Political Economy," page 84:

> "It is of the very essence of trade to have wide and constant information. A market, then, is theoretically perfect only when all traders have perfect knowledge of the conditions of supply and demand, and the consequent ratio of exchange" (that is of price).

In his very able book "Marketing, Its Problems and Methods," published in 1920, C. S. Duncan, Ph.D., some-

time Assistant Professor of Commercial Organization in the University of Chicago, discusses market news under the heading "Trade Information." His discussion is in part as follows:

> "An ingenious Englishman presented a paper, copiously illustrated, before the Royal Society of Science in 1699, dealing with a new invention which he had just made. This invention was a huge megaphone, or 'speaking trumpet,' set up on standards, and it was devised for the purpose of communication at great distances. A sovereign, it was claimed, could stand on some promontory in the midst of his realm and send his voice to its farthest corner; he could stand on the shore and command his ships far out at sea; he could issue proclamations and control activities of peace as well as give orders to his vast armies in times of war. News of disaster or success could be conveyed instantly from one section of the country to another. In fact, the 'stentorophone,' as it was called, was to become an instrument for making possible an instantaneous transmission of news.
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> "The 'stentorophone' would not work, of course, but its inventor had undoubtedly caught a glimpse of the significance of a great idea—that information, knowledge, news, is a vital element in both peace and war. In no part of human activity is this element of information more important than the economic, and especially in that most sensitive of all economic mechanisms, the market. There, knowledge is literally power. Market news is the nervous system of the market.
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> "What is Trade Information—'All news is market news,' said one of the leading crop experts of the country. Whatever has any effect upon the market price is trade information. This means that any event which changes in any respect the supply of or demand for any commodity is market news. The event does not need to be economic in character; it may be a political or social event abroad. Whatever influences trade and trade relationships is market news. But such event is not really in itself market news; it becomes so as it passes through the mind

of the business man where it is transmuted from an historical incident into trade information. The facts are the raw materials; the business man's interpretation of them is the market news. For market news is nothing more than the reports of events and happenings of the world acted upon by a trained and experienced business mind.

"Of market news, time is the essence. For, in the bargaining process superior knowledge may be secured in two ways; it may be a broader, sounder, more comprehensive knowledge, or it may be an earlier knowledge. As a market becomes more and more thoroughly organized, competition in knowledge tends to be narrowed to securing an earlier knowledge. A marvelously efficient organization has been developed as a result of this sort of rivalry, and has concentrated itself in the organized exchanges. As has been shown already, the activity most frequently associated with organized exchanges is dealing in 'futures,' and to deal intelligently there must be a broad and sound basis of knowledge. The very sensitiveness of exchange prices is due to their immediate response to market news.

"The facts secured from all parts of the world by the exchange brokers pass through the minds of these seasoned and expert traders and are there transmuted into market news. A drought in Argentina, a flood in China, a volcanic eruption in the Antipodes, will be instantly translated into dollars and cents in the prices of commodities. Knowledge of facts, then, that can be judged on a price basis is market information.

"Function of Market News.—The physical world turns on its axis. The ancient mind conceived of it as being pivoted on the shoulders of a giant, Atlas. It is a 'going concern,' whose activities are adjusted by certain forces. There is a loose analogy here with the world of business. It, too, is a 'going concern.' Like the physical world, it turns on its axis and pivots on the shoulders of its Atlas. The pivot and the axis of the business is price; and the essence of price is market news.

"Practically, the consumer usually pays the price that is asked by the seller in the retail trade. He does not know enough facts, either as to cost or as to

quality, to bargain on an equality with the retailer. He must make his decision to buy or to refuse to buy on the basis of relative marginal utility. The price is asked, and the consumer either decides the article is not 'worth' it or another article will do. In other words, the buyer and seller do not build a price anew, from the ground up, by any sort of higgling. Business is a going concern and today's price is yesterday's price modified only by some bit of market news. Tomorrow's price will be today's unless changed by some kind of market news. The center and core of modern business transactions is market news, operating through price changes.

"Price setting is a process of adjustment, called bargaining. The basis of bargaining is market news. It is this that keeps the prices balanced to market conditions, whether local, national or international. Some foodstuffs have a world market; their prices are adjusted to world conditions. Everybody knows that the world must eat; the demand is ever present, insatiable. Any substantial decrease in supply brings, as from the dead, the specter of want. It is desirable that foodstuff markets be stabilized as much as possible. The only way to stabilize markets is to stabilize price, and the only way to stabilize price is to make known instantly all the essential facts about supply and demand.

"There is the classic story of the elder Rothschild who laid the foundation of the great fortune of that prosperous family. He is said to have been an eyewitness of the battle of Waterloo. Previously, he had arranged for a relay of horses to carry him with the quickest possible dispatch from his post of observation to the Channel and from the Channel to London. He watched the ebb and flow of the tide of battle until the decisive moment came, until the final outcome became manifest. Then he started for London, riding night and day until he reached his destination. For what purpose? To buy stocks on the Exchange. He carried momentous market news. While that news was his alone, he had a monopoly, and on this brief monopoly he laid the foundation of a vast fortune.

"The world is not different today in its essential business organization. It still pivots on price and

the essence of price is still market news. Consider the economic significance of the telegraph, the telephone, the wireless, the newspaper, the postal system, the airplane. Much has been written of these things to show their marvelous ingenuity and convenience. They have broadened the horizon and have brought the ends of the earth nearer together. But greater than all of these things for the welfare of the world is the fact that they carry news of such dynamic force in business. Local markets through them have broadened into national and international markets; local prices through them have become national and international prices.

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"The price of to-day is not a brand new, handmade or machine-made price. It is the interpretation into terms of money of the world condition; it is the best expert opinion of market news.

"It may be seen, therefore, that market news is the central organizing force in the market, because it is the essence of market price. It functions as an organizing force through all middlemen, through warehouses, organized exchanges, the wholesale and the retail system.

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"Markets are organized for two purposes: One is the actual handling of the commodities, the real process of distributing goods; the other is buying and selling. For intelligent buying and selling, market news is essential. It serves more and more this vitalizing, directive function.

"ORGANIZATIONS FOR SECURING MARKET INFORMATION—For performing this necessary function many kinds of organizations have developed. On the basis of control these organizations are of two different types: (1) governmental, and (2) private.

"*Governmental Organizations*—There are many Government bureaus for securing and circulating market information. The oldest and best known of the bureaus is the Bureau of Crop Estimates, originally called the Bureau of Statistics, in the Department of Agriculture. On February 25, 1863, the first appropriation of $90,000 was made for a Department of Agriculture. Two years later, 1865, the first dis-

tinct provision, $20,000, was made for a statistical bureau. By 1911 the appropriation had reached $225,000.

"The Bureau of Crop Estimates gathers statistics on the four great staple crops—corn, cotton, wheat and oats—and issues monthly reports. These reports cover the following three points: (a) the area in acres planted or sown, (b) condition of crops, examination being made monthly during growing season, and (c) the yield per acre at harvest time. Beginning the first of each month a gathering volume of reports will flow from 150,000 or more men conversant with conditions throughout the productive areas, toward the office of the chief of the bureau of Crop Estimates. They will carry the conditions as of the first of the month. The facts will be tabulated, State by State, section by section. Then as the eighth of the month draws near, the doors of the rooms where the material is kept are locked; door-keepers are stationed outside; even the telephone is disconnected. The statistical experts are marooned as if they had the plague.

"The reports on these crops are usually 'loosed' at two thirty in the afternoon. As this time approaches, in the corridors are gathered fifteen or twenty newspaper reporters. With them are the operators of the telegraph system, whose instruments stand ready at hand. One minute before the hour set, the doors are unlocked and out step the Chief of the Bureau of Crop Estimates and the Secretary of Agriculture. The Chief holds in his hand 25 typewritten copies of the completed report. Some of these are spread on a table, printed side down. Folded copies are handed to the telegraph operators, and they are not unfolded. Each newspaper man is then permitted to place his hand on a copy, ready to grab and run. As the hands of the clock reach the appointed hour, the Chief of the Bureau shouts 'Go.' Within less than five seconds every reporter has disappeared; every available telephone is in use, and the telegraph wires are humming the message of that report. Within fifteen or twenty seconds it is being read in Chicago, New York, New Orleans, and thence spreads with the speed of skillful fingers tapping

telegraph instruments, public and private, over the continent and across the seas.

"Why all this careful guarding? What is the dynamic power in this simple report? The answer is: 'Market News.' This report carries the summation from 150,000 different sources of facts about crop conditions, of corn, cotton, wheat, and oats, the four great speculative crops. The world price is made of such stuff. It helps to keep that price balanced to world conditions; it aids in holding that price down to a minimum, because buyer and seller both know the facts, because the whole world may know them, because it becomes world news and rumor is killed.

"This is only a part of what the Government does for the collection and dissemination of market news. The Bureau of Markets, 'to give producers, dealers, and consumers more complete and accurate information regarding current production market receipts, accumulations both in and out of storage and market demands,' has developed a market news service respecting such commodities as grain, hay, seeds, eggs, poultry, cheese, onions, cabbage, and lettuce, as well as meats and meat animals. 'These reports tend very materially to steady market conditions by giving the producers dependable information on which to base their business operations.'

"The Bureau of Foreign and Domestic Commerce collects facts about foreign markets and gives them out to interested parties. The U. S. Geological Survey gathers data on the production and on the deposits of minerals and ore. The Department of Forestry secures data on timber and lumber supplies. In one form or another the Government reaches out into most lines of interest and serves as a medium of market news. Of no small importance is the Daily Weather Report.

"For the great fundamental crops there is an international organization. It was instigated by an American economist, David Lubin, and finally organized in 1909. It is called the International Agricultural Institute, and has its seat in Rome. The work of this Institute is carried on by money appropriated by the leading nations of the world, and the information on the fundamental crops is sent broad-

cast monthly. This is not only one of the great world price stabilizers, but is likewise a great bulwark against want and famine. It aids in distributing these essential commodities as they are needed, territorially and chronologically.

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"*Private Organizations*—Private organizations for securing business data permeate the industrial and commercial world. The most highly organized of these is probably that of the grain brokers. In such trade centers as Chicago, these brokers have the headquarters of organizations reaching throughout the grain-growing regions. There are experts who make telegraphic reports from time to time on crop conditions, and especially during the critical seasons. The appearance of Hessian fly, or rust, or other pest is quickly noted and discounted in the speculative market price.

"The largest private news agency in the grain trade is probably Broomhall's. It has official representatives in all of the great exchanges. 'Advices' are received from agents, daily and weekly, by mail, wire and cable. There are more than 300 expert agents scattered through the grain producing countries. Liverpool is the clearing house for it. News can be sent by it from New York to Liverpool and be posted in six minutes. Among private organizations this agency corresponds to the International Agricultural Institute in governmental organizations. A similar organization for cotton is found in the International Cotton Conventions.

"Stock Brokers also have news gathering and news distributing organizations. This service is largely their stock in trade. When it is recalled that these stock brokers are dealers in contracts, the reason is plain. They need to know more about the market, about demand and supply, than their clients.

"Every commodity of sufficient importance industrially and commercially will develop its own trade-information agencies. There is in the United States the Iron and Steel Institute. Abroad, in England, France, Germany, there is a similar organization. The oil interests keep many experts busy with their investigations with a clearing house in the Petroleum Institute.

"Market news is often an incidental service performed by organizations formed primarily for other purposes. This is true of the trade associations that have multiplied so rapidly in recent years. There are now literally thousands of such associations, each with its central headquarters from which emanates trade information. Many secretaries of these organizations send out news letters, call conventions, make investigations, and otherwise try to keep their members in the vanguard of progress. The trade journals issued by these organizations contain much trade news. Some of them are published solely for that purpose.

"There are many research departments, both in the trade associations and in the larger businesses, whose prime motive is to furnish pertinent trade facts. They are agencies of market news. Banks have organized research departments also, and for the same purpose. Special research companies have recently sprung up to serve as sources of market news.

"Special market-news magazines and papers are published. The *New Orleans Cotton Exchange Reporter, Dun's Review, Bradstreet's Review, Broomhall's Corn-Trade News,* commercial and financial and industrial magazines all carry market news, as fresh and up-to-date as possible. The daily papers have their market news sections.

"Thousands upon thousands of letters are daily carried by the mail crammed with market news. The correspondence of the world is doubtlessly very largely made up of trade information. Just as advertising—which, by the way, is a form of market news service—keeps the newspapers and magazines going financially, so trade-information correspondence saves a deficit in the Post Office Department. It is not competition, but market news, that is the life of trade.

"The economics of the telegraph system has not yet been written. Nor has that of the telephone system or the wireless been written. Much has been said about the laying of ocean cables, but the romance has been emphasized more than the economic significance. Cables, telegraph wires, telephones,

and wireless outfits bring market news from the ends of the earth. In the world markets, the nation that controls the cable systems has the means of controlling the markets. British supremacy in foreign trade was founded not alone upon a merchant marine and foreign investments, but also upon her world-encircling cables. Adequate overseas communication is as important as ships and foreign banks to successful foreign trade.

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"Steamboats carried news faster than the old sailing vessels. The cable easily outdistances the steamer. But the cable lines are relatively expensive and afford only a restricted means of communication. Only recently another possible means of transoceanic communication has been opened up. An airplane successfully crossed the Atlantic in a single flight. An airship has made a successful round trip.

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"Essential market news is served luxuriously in hotel, club, or office by means of that marvelous little instrument called the 'ticker.' Hitherto, these tickers have been the quickest method of transmitting news widely. A private telegraph or telephone wire gives equal speed, as well as privacy, but a single master transmitter can send the important news out to many of these little tickers instantaneously. 'The service gives out news to the "Street" where it is most needed, for without an up-to-the-minute knowledge of what the outside world is doing, rumor is much more likely to affect the sensitive market. The newspapers with their hourly editions do not come often enough. The news must come hotter and faster than these possibly can.'

"THROUGH ALL OF THESE MEANS, PRIVATE AND GOVERNMENTAL, TRADE INFORMATION IS COLLECTED AND DISTRIBUTED. GRADUALLY FASTER AND FASTER METHODS HAVE BEEN DEVELOPED, UNTIL NOW THE NEWS FLIES ALMOST WITH THE SPEED OF LIGHT. THIS MARKET NEWS SYSTEM HAS BECOME THE VERY CORE OF THE MARKET ORGANIZATION, IN EVERY RESPECT AS ESSENTIAL AS THE RAILROAD OR THE WAREHOUSE.

"Essentials of Market News—There are two general phases of trade information; one has to do with production, the other with the demand. In those essential products with a world-wide and relatively inelastic demand, the attention turns toward production. Thus, crop reports sent out by the Government deal with (1) acreage planted, (2) condition of crops during growing season, (3) yield per acre, (4) total production, (5) average price per bushel, (6) total farm value, (7) stocks on hand at given times, (8) amount shipped out of country of production, (9) concise statements of weather conditions throughout the productive area, and (10) the 'visible supply.'

"As has been pointed out before, it is important to trace the relation between the volume of production, the total value, and the visible supply. This last term signifies, in general, the amount within sight of the market; that is, the amount in elevators, on board cars, loaded on ships, etc.—the amount that has been chartered. The visible supply becomes increasingly important as the end of the crop season draws near. The amount of wheat left at the end of May, the bales of cotton remaining after August 31, the number of bushels of corn left after September, show the real surplus of the previous crop to compete with the new crop.

"For other commodities, other points may rise in importance. The driving of new oil wells, the opening of new mines, the total production of ore, coal, lumber, the recent estimates by experts of remaining supplies, are all pertinent.

"But production figures are significant only in relation to demand. This may mean the demand for finished products reflected back to raw materials. It certainly includes the results of a careful analysis of the market. The chief elements of this analysis have already been discussed. The principle to keep in mind is that any pertinent fact, touching either the production of a commodity or its consumption, is trade information, and may become an influence in affecting market price, and that a market price at any given moment is an understanding of supply in

relation to demand on the basis of known trade information.

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"In this connection it is important to inquire where the market price is really determined; whether in that market center through which the bulk of the commodities passes or in that market center where the market news is concentrated? Specifically, is the world-price of wheat determined in Chicago, Minneapolis, Duluth, or in Liverpool; is the world price of cotton determined in New Orleans, New York, or Liverpool, or Manchester; is the world price of copper or steel determined in New York or abroad; is the world-price of wool determined in Boston or London; is the world-price of petroleum determined in the United States or abroad; is the price of coffee determined in Sao Paulo or in New York? In a sense these queries are academic in character, because a market price may be built up by adding transportation, handling and storage charges, or may be taken apart by deducting them. That is, the Liverpool price may be the Chicago price, plus charges, or the Chicago price may be the Liverpool price, less charges.

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DISCOUNTING THE FUTURE.

"Buying and selling future contracts is like crossing a bridge before one gets to it. There is a calculation of what will happen; it is a case where coming events cast their shadows before them. Future dealings are really the shock absorbers in business. In our modern roundabout business, speculation, that is, buying and selling future contracts, is absolutely necessary. When *this speculation is rendered as intelligent as possible through a study of trade information, the fluctuations in market prices are leveled out and the risks of business are minimized.* This is a most important service. It has often been observed that the actual transpiration of an event does not have the effects upon the sensitive exchanges that might have been expected from its significance. This is due to the fact that its effects have

been anticipated and discounted. The anticipation of effects is discounting the future. The stabilizing results, beneficial to producer, to middleman, to consumer, in the reduced risks of business, are due to market news.

TRADE INFORMATION AND COMPETITION.

"Competition in trade may be based upon the effort to secure better trade information or upon the effort to judge most accurately the effects of market news. The former kind is inevitable under private individualistic competition, where private enterprise is superior to public enterprise in securing the essential business facts. In some cases the government can maintain an organization of a magnitude that is impracticable for private enterprise. The German government had a system for securing information from all parts of the world, through foreign trade agents, foreign branch banks, government agents, missionaries, emigrants, steamship companies, beyond anything an individual firm could do. No British business firm could match the resources of the British Board of Trade. No American firm has the potential power of our consular and trade-commissioner service.

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USE AND ABUSE OF TRADE INFORMATION.

"There is, of course, a right use and a wrong use of market news. In all cases the news should be reliably true. Falsification, by exaggeration or by depreciation, can never be right. Organized exchanges have very strict rules in this regard, because they have learned by the bitter experience of public disapproval that honesty is the best policy. It is not defensible, either, to issue reports as fresh that have already been discounted in the market. The news coming through the 'ticker' service is condemned by the experts on the exchanges as 'gossip,' because the facts have already passed through the hands of those who have had every reason to use them for their own advantage.

"It is easy to start a rumor in an uncertain market, and unfounded reports have a remarkable tendency to grow fast. Any 'manipulation' of this sort is to be utterly condemned. Nothing can insure the right use of market news besides an unswerving honesty and integrity. The individual may be able to escape with the plunder derived from false reports, but the institution through which he works will sooner or later have to bear the responsibility. Stock markets testify to this fact, as do also commission merchants. The evil practice of one man may undo the good work of a score of other men. This statement is peculiarly true in the use of market news.

MARKET NEWS AS A BUSINESS FORCE.

"It must be realized clearly that market news is not in itself either a function or an institution; it is an active force, and active business force, subtle, intangible pervasive. It is a motive power of judgment. 'Carriers may be provided to transport the crops to market; local, central, and retail markets, elevators and warehouses, exchanges and other market places to facilitate their storage, preparation and sale; but without authentic current trade information the machinery of distribution could not but operate in a haphazard manner, and prices would seldom, if ever, be such as the actual or probable supply and demand naturally warrant.'

"Market news, while not a function in itself, performs a most essential commercial function. It is an organizing, directive force; it is an intelligent use of business facts for the purpose of business management. Under a regime of individual enterprises, men do what pays best, or what they think pays best. The determination of what pays best is based on the individual's interpretation of trade information as he knows it. This applies both to industry and to trade. More and more, commodities are being diverted *en route*, on telegraphic advice as to market conditions in certain trade centers; more and more, producers whether farmers, manufacturers, or mine operators are directing their operations by market news. Through the medium of

market news the economic process from beginning to end becomes more intelligent.

"An increasing factor in market news is the knowledge gained from scientific research. 'The chemical laboratory is now a necessary part of every steel plant, fertilizer factory and dye works. Manufacturers in every field, seeking to better the quality of their products or to reduce costs, have found the services of the chemical engineer indispensable. Old rule-of-thumb methods have been scrutinized in the light afforded by scientific experimentation, and great improvements have been made in fundamental processes, especially in the utilization of by-products that had been considered waste and discarded.'

"Market news is, therefore, not only an organizing and directive force, but also a conserving force."

In his very able work, Principles of Marketing, Fred E. Clark, Ph.D., Associate Professor of Economics and Marketing in the Northwestern University School of Commerce, discusses "Market News," at page 380, in part as follows:

"The significance of adequate market news and of the standardization of products in effective marketing has been suggested from time to time in previous chapters. This and the following chapter include a more thorough consideration of these points. The two subjects are closely related. Each is important in the establishment of market price and in increasing the ease with which the transfer of title can be accomplished. The full usefulness of neither, moreover, is possible without a proper development of the other.

IMPORTANCE OF MARKET NEWS.

"Market news is a pervasive element in marketing. It is the determining factor in establishing market price. If the collection, interpretation and circulation of market news could be so perfected as to make absolutely accurate provision possible, market risk would disappear. By minimizing risk, market news makes the problems involved in market finance less difficult of solution; loans can be given and credit extended on sales with greater certainty

of normal payments being made, and investment in stocks and in sales campaigns is likewise attended with less risk.

"It is assumed by the apologist for the competitive regime that the forces of demand and supply tend constantly toward an equilibrium. But as markets grow in size and complexity, as roundabout methods of production involving months and years of time are more extensively employed, and as the necessary investment in fixed plant increases in relative amount, conditions arise which make it necessary that information concerning demand and supply be carefully collected, interpreted, and dispersed, if this equilibrium is to be in any measure realized. It is the presence of these conditions in modern industry, together with the lack of sufficient market information, that is a frequent cause for individual failure on the part of business men, just as it is a common cause of alternating high and low prices for individual commodities.

PROBLEMS ARISING FROM INADEQUATE NEWS.

"An adequate market news service prevents much waste in marketing, waste which is of great importance to the common welfare as well as to those most directly concerned in individual transactions. The most obvious waste from inadequate market news is found in the market for perishable foods, more especially fruits and vegetables. These products are grown by numerous producers, frequently scattered over a large territory, and in widely separated producing areas. If too great a supply reaches a given market, prices will drop, and it may not even pay to market some of it. At best a low price will prevail, and the goods must be sold at this price or shipped on to other markets. This is impossible with the more highly perishable commodities, and great deterioration occurs with many others. The roundabout shipment and sale also cause additional costs to be incurred. And when prices are forced down in the one market, consumers depending on other markets where the surplus might have gone, may be forced to pay high prices because the supply there is small.

MARKET NEWS AND BUSINESS POLICIES.

"In all industries a knowledge, or a forecast, of future market conditions, as well as of day to day developments, is important. All production is for the future; and, consequently, producers establish production policies on their judgment of future markets; merchants determine purchase policies on their judgment of future markets; and traders on speculative exchanges, likewise, base their transactions on forecasts of the market. The more elastic the demand for a product the greater is the need for a proper estimate, for production must usually begin long before sales are possible, and large stocks must often be accumulated before the market forces are definitely in operation.

THE MARKET FORECAST.

"A proper forecast of the market for either the immediate or the distant future is dependent in the first instance upon a full knowledge of the pertinent conditions which bear on demand and supply, and on the timeliness with which these facts are ascertained. Then, with the data at hand, the accuracy of the forecast depends upon the skill with which they are interpreted.

"Both the volume of products which may reach the market and the intensity of demand become more and more uncertain as forecasts extend further and further into the future. The activities of other producers, changes in technique, weather conditions, general and special business conditions, the reaction of consumers to products and prices—these and many other conditions are variable. They are difficult to determine for the immediate future; and as the time for which they are to be forecasted increases, the difficulty of prediction grows greater.

"The speed with which the knowledge of conditions is disseminated to interested parties varies greatly. This is extremely important, for those who first possess knowledge of significant conditions thereby gain great advantages. It is on account of the importance of the time element that large busi-

ness concerns, especially those operating in speculative future markets, often have elaborate agencies for gathering market news, as, for example, leased telegraph wires with which to obtain and distribute the news quickly, and secretly. In contrast with these are the smaller operators, farmers, manufacturers, merchants, and the final consumer, most of whom are almost entirely dependent on outside, and often prejudiced, sources of information.

INTERPRETATION OF MARKET NEWS.

"The value of market news depends, finally, not only on the accuracy and completeness with which it is gathered and the speed with which it is disseminated, but also upon the skill with which it is interpreted. No matter how much information is available it is valueless until interpreted; and upon the skill with which he interprets the data at hand depends in large degree the business success of the trader and even of the producer. For from that interpretation business policies are determined and plans are formulated. Here, wide variations are found among business men. Many depend on rumors and 'hunches.' But some spend large sums in gathering news and putting it in form so that the executives can most readily and accurately interpret it. Successful speculation, in particular, depends upon prompt and accurate collection and interpretation of market news. But to all business timely news which is quickly and accurately interpreted is essential.

SOURCES OF MARKET NEWS.

"Our National Government offers what is by far the largest single source of market information in this country, through the annual and special reports of its many bureaus and departments. Yet another important source of information is the data compiled by business men in their own offices; from material obtained by governmental bodies and other agencies, from the records of the business, and from the experiences of their own staff. Furthermore, special investigations for the purpose of securing informa-

tion not otherwise available, are now made for business houses by their own staffs or by outside agencies. Somewhat similar to this is the information collected by trade associations from their members. Large banks, likewise, have departments for gathering and interpreting market news which will be of assistance to their officers and clients. Finally, there are private agencies, such as the market reporters of the agricultural markets, representatives of the public press, research departments of educational institutions, and private research and statistical agencies.

DISSEMINATION OF MARKET NEWS.

"The most familiar medium for the dissemination of market news is the public press. The advertising pages of magazines and newspapers are utilized entirely in giving such information, especially that concerning the supply of specific products and services. Newspapers and trade journals quote the prevailing prices for raw materials and foods—live stock, grain, wool, vegetables, and fruits—for many manufactured products, and for stocks and bonds. News articles give general information of market conditions, and of political, legal, social and economic considerations bearing thereon. In addition to the newspapers and magazines, some of which are known as 'business periodicals,' there are over 3,500 trade and agricultural papers in the United States, the chief purpose of which is to gather and circulate market news. The annual and special reports of produce exchanges, chambers of commerce, and trade associations also contain valuable market news.

"The mails, the telegraph, and telephone are also used extensively. The sources just mentioned are mainly dependent upon these for collecting and communicating the news which they interpret and circulate. By means of these the news bureaus and telegraph companies, private market reporting agencies, and private wire houses send out data on opening and closing prices on produce exchanges and on stock exchanges; and quotations are sent out daily by commission merchants and wholesale receivers to

the country shippers of grain and other produce. Goods are ordered by mail, telegraph, and telephone, and quotations are made by the same means. Private information from salesmen and agents is received through these mediums, and general market information is also sent over the wires and by mail.

"Finally, as important a source as any to many business men is market news conveyed by word of mouth—conversation with salesmen and buyers, advice secured from bankers and private research and statistical agencies, talks with business associates, friends, and acquaintances.

NEWS OF THE AGRICULTURAL MARKET.

"In view of its importance and the difficulties involved in its collection perhaps the most complete and accessible information is available concerning the domestic agricultural market. Especially valuable is the work of the Bureau of Markets and Crop Estimates of the United States Department of Agriculture and of the Bureau of the Census of the Department of Commerce.

"The purpose of the market reports of the Bureau of Markets and Crop Estimates is 'to cover the markets upon every farm commodity which constitutes an important part of the Nation's food and clothing supplies * * * for the express benefit of producers, distributors and consumers.' This service has to do principally with current market news—prevailing prices in different markets, amounts shipped from various producing areas to specific markets, current production and available stocks. The crop reports, on the other hand, are primarily important as a means of estimating future conditions of supply—acres planted and the condition of the crops at various times during the growing season.

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"The Bureau of Markets has in the United States 73 branch offices located at 46 large market centers, 16 of which are directly connected with the Washington office and with each other by some 4,500 miles of leased telegraph wires. Marketing experts keep in constant touch with market conditions in the field

and at consuming centers and at least 15,000 responsible individuals, firms, and railroads—voluntary reporters—render reports to the bureau regularly upon the marketing of farm products. Mimeographed reports are still sent to producers and the trade direct, but by the use of the telegraph and the press and latterly of the wireless these and the other reports sent out by the Bureau of Markets are received by not less than 15,000,000 potential readers.

"Other important sources of market information for agricultural products are the daily quotations sent out by telegraph of transactions on produce exchanges, the numerous market reporters and trade journals of local, sectional, and national circulation, the daily papers, the annual reports of produce exchanges, and the reports of the International Institute of Agriculture at Rome.

"NEWS OF MANUFACTURERS' MARKETS—*There are as yet no governmental bodies in the United States engaged in gathering market news of manufactured products on anything like the scale on which news of the agricultural market is collected.* The work of the Bureau of Foreign and Domestic Commerce in the field of foreign trade will be touched upon later. The Federal Trade Commission is making constant contributions, and more recently certain bureaus in the Department of Commerce have devoted considerable attention to domestic conditions in the market for manufactured commodities. A start has been made in the *Monthly Survey of Current Business* conducted by the Bureau of the Census, the Bureau of Foreign and Domestic Commerce, and the Bureau of Standards of this Department. The first number was issued in August, 1921. This gives summarized comparative figures of stocks, production and prices for important commodities, of foreign trade conditions, transportation, retail trade, banking and finance interest rates, earnings and employment, the cost of living and other subjects. The Decennial Census reports and the Census of Manufacturers, many of the publications of the Bureau of Standards, and the information contained in the *Monthly Review* of the Bureau of Labor Statistics of the Department of Labor, also contain valuable information.

* * * * * *

IMPORTANT SOURCES OF FOREIGN TRADE NEWS.

"The most important statistics of foreign trade are those gathered by the Bureau of Foreign and Domestic Commerce of the Department of Commerce, and published in the *Monthly Summary of Commerce and Finance,* in the *Weekly Commerce Reports,* and in special reports issued from the Bureau. * * * A complete report of the exports and imports of specific products is included in the annual report *Commerce and Navigation.* This Bureau also issues a weekly paper, *Weekly Commerce Reports,* covering conditions existing in various foreign countries and even giving specific market opportunities. Special pamphlets are published on market conditions in the sale of particular products and on trade conditions in particular parts of the world. Finally, confidential information of specific trade opportunities is given to accredited manufacturers.

"Much of the information which the Bureau of Foreign and Domestic Commerce publishes is received through reports from the members of the consular service, which is attached to the Department of State. There are some 300 United States consular offices throughout the world, one of the main functions of which is to keep in touch with commercial opportunities and business conditions, and to collect information that will be helpful to American business men. The results of their efforts are made available largely through the Bureau.

"Some of the large banks and such institutions as the Philadelphia Commercial Museum also gather news of general and specific foreign trade opportunities, and in some cases make special investigations for their clients. Information concerning foreign tariffs can be procured through such private agencies as those mentioned, as well as through the Bureau of Foreign Trade Advisers of the Department of State, the Tariff Commission, the Pan-American Union, and the Bureau of Foreign and Domestic Commerce.

NEWS OF GENERAL COMMODITIES.

"Valuable sources of information about prices of general commodities are the monthly and special reports of the Bureau of Labor Statistics of the Department of Labor. This information is published in the *Monthly Labor Review* and in special reports on wholesale and retail prices. The statistical tables which are included cover prices for the current year as well as for several years past. Unfortunately, these data are usually published some time after the facts are gathered, although such parts as have a news value for periodicals are given out in advance of the regular publication. The new *Survey of Current Business* issued by the Department of Commerce also bids fair to be of great value in circulating news of this kind.

GENERAL MARKET CONDITIONS.

"Finally, all business men are interested in what may be called general market news, that is, news which indicates the general conditions which prevail throughout the country, and the world—looked at not as a particular market, but as a great complexity of markets. There are certain general sources or 'indices' to which business men commonly look. These relate to the conditions that exist in such markets as the following: (1) general business—including building and real estate, iron production, bank clearings, business failures, labor conditions, immigration, crop conditions; (2) financial conditions—including conditions in the money market, foreign trade, gold movements, commodity prices; (3) the investment market—including prices of securities, crop statistics, railroad earnings, and social conditions. Conditions in the steel market are also considered of particular importance in determining the general conditions of industry. Some of these markets are of particular interest to certain groups of business men, some to others. Thus, the first group of markets is believed to show the trend of the general business situation, the sec-

ond group applies to the money market, and the last group to the investment market. Some statistics, such as stock market prices, banking and building statistics, are used to forecast future conditions; whereas others, such as imports of merchandise, commodity prices, or business failures are better used to indicate the existing situation although future tendencies may also be indicated by them.

CONTROL OF MARKET NEWS.

"Since the activities of producers and traders, and even those of consumers, are guided by their knowledge of the market, it is important that news should be accurate and timely. Prices, otherwise, will not reflect true conditions, and great harm may result to the public, as well as to private traders and producers. The statement that the crops in a particular section are abnormally large or small will commonly have an immediate effect on prices. If the statement is false, prices will be out of line with actual conditions. This will cause unwarranted loss to some and gain to others. Here is a great opportunity for private individuals, by spreading false news, to reap large gains at the expense of others. It is consequently, important that the information which is dispersed shall be accurate. In 'future' markets where even rumor may cause changes in prices amounting to thousands, or even millions of dollars in the aggregate, it is particularly important that the dissemination of market news be carefully guarded. On the Chicago Board of Trade in order to safeguard the news a very strict control is exercised by the Market Reports Committee over all news issued by members of the Board, and by any others who receive their information through it, i. e., over all individuals and firms over whom it can exercise control. This includes the reports of private wire houses, the private reporting agencies, members' daily market letters and the reports of telegraph and news ticker companies. The market letters of members are not allowed to forecast the market or to give advice. Market rumors are forbidden.

"Large firms can usually afford the expense involved in gathering market news, and those who control a large part of the trade in any particular commodity have through their own records the means of determining market conditions with a fair degree of accuracy. But smaller firms have no such facilities. To meet their needs either associative activity or governmental action is necessary. In this country the former has been rapidly developing among dealers and producers of manufactured products and raw materials other than farm products. And thus far governmental activity has been more concerned with farm products. At present there is a movement toward governmental assistance in gathering news of the manufacturers' market. And in the farm market such large organizations as the California Fruit Growers Exchange and the new United States Grain Growers Incorporated collect information for themselves.

NEWS COLLECTED AND DISPERSED BY THE GOVERNMENT AND BY ASSOCIATIONS.

"News gathered by the government and by trade associations is not always so timely as that obtained by large individual firms, so that these are often in possession of essential facts some time before those who depend on the government, trade associations, or other outside agencies. On the other hand, the news gathered by governments and by trade associations is likely to be much more extensive and accurate. This is partly due to the greater resources which may be made available to cover the expense involved, and, sometimes to the greater spirit of co-operation which is likely to prevail among those with facts to contribute. Finally, the government, may, if the public welfare demands, insist on receiving pertinent news.

"*Wherever there are many small business men engaged in an industry it is essential that some neutral and impartial agency should gather and disperse market news. Private information when collected is commonly only for the limited use of those who gather it, and when published it may be colored by the point of view of the compiling firm. Apparently*

the great number of both producers and dealers wh are working on a relatively small scale can recei adequate market information only through son governmental agency or through cooperation on very large scale.

CONCLUSION.

"It may be said, finally, that if the market new were complete, accurate, correctly interpreted, an thoroughly disseminated, demand and supply, in th absence of unforeseen natural conditions or artificia restrictions—such as patents and monopolies, gov ernmental or private—would always balance; an business profits, as a reward for risk-bearing, woul be entirely absent. But these conditions are fa from realized; and, consequently, producers an dealers face the possibility of gain or loss, hig prices or low, according as they are fortunate or s keen as to possess articles for which the demand i great, or so unfortunate as to possess those fo which the demand is small. In the modern marke business success depends very largely on the abilit of the individual business man to forecast his mar ket properly."

The every day necessity of Market News was set forth by Chief Justice Waite in discussing the wide use of the telegraph in the case of *Pensacola Tel. Co.* v. *West. Union Tel. Co.*, 96 U. S. 1.

"A prudent merchant rarely enters upon an im portant transaction without using the telegraph freely to secure information." (Italics ours.)

II.

THE COLLECTION AND DISSEMINATION OF MARKET NEWS DOES NOT DETERMINE PRICES.

It is evident that market news does not fix prices. It only reveals to men the actual economic situation. It is their individual interpretations which they place upon

such information and their subsequent actions which cause prices to rise or fall. For example, courts have rendered decisions which greatly affected prices. But the prices were determined by the interpretations which men placed upon that news when it was made public. Recently a Department of the Government gave out a bulletin which was interpreted to mean that there was a shortage in the supply of sugar. The price of sugar began to rise, but it was not the market news which caused the rise, but the shortage which the bulletin was thought to reveal and the subsequent action of men in view of that supposed shortage. The telegraph wires in June, 1914, carried the news of the assassination of an Austrian Grand Duke, and at once the disastrous chain of events began to unroll and the world was speedily aflame with war. But neither the newspaper correspondent who sent out the dispatch nor the news association which hired him, nor the telegraph wire which carried the message could be called the cause of the war. It was the fact of the assassination which acted upon the minds of men and precipitated the world's tragedy.

As applied to markets, the matter is thus explained by Duncan in his work on "Marketing," already referred to, page 225:

> "The forces of supply and demand meet in the market and culminate in a market price. The value of a commodity is there expressed in terms of the medium of exchange, that is, in terms of money, * * *
>
> PRICE FACTORS AND INFLUENCES.
>
> "A comprehensive view may first be taken of the complex of factors and influences which enter into market prices. It is not possible to name them all, because they not only differ at different times, but some of them are too subtle and intangible to be isolated and defined. * * *

"The theorist goes far beyond these factors and influences. 'Back of these causes lie other causes multiplying endlessly as we proceed backward. But if we trace back all of these causes to their utmost limits, they will all resolve themselves into changes in the marginal desirability or undesirability of satisfactions and of efforts respectively, at different points of time, and in the marginal rate of impatience as between any one year and the next.'

"The following causes have also been enumerated in the order of their importanec in affecting commodity prices: '(1) Increase of gold supply, (2) exhaustion of natural resources, (3) rising standard of living, (4) withdrawal of population from agriculture, and growth of cities, (5) trusts and combinations, (6) tariffs, (7) labor unions, (8) growth of population and unscientific methods of farming, (9) extravagance in expenditure, (10) waste and fraud in distribution, (11) uneconomical marketing and housekeeping, (12) speculation, (13) immigration.'

"*But it is not to be understood that these or any other set of factors and influences enter consciously into the construction of every price, or indeed of any price. The practical fact to be remembered is that business is a going concern, that price making is a progressive affair, that no price in the market today is built from the foundation up, that today's price is yesterday's price modified only by some bit of market news. In the long-time period, every factor and influence will have full effect, but from day to day there is only a step at a time.*

"All economic forces are finally concentrated in market price. Here is found the composite opinion of the best business minds, which have transmuted market news into the dollars and cents of price. This is the higgling of the market; it is the meeting of the minds of buyer and seller; it is the economic consummation so devoutly to be wished."

Also page 230:

"From this brief survey of local prices, several important points may be illustrated. In the first place, commodities with a world market are acted

upon by world forces and local prices are often determined by deductions from the central-market price. This is an instance where the superiority of market news is revealed. Generally, the local producer has little or no conception of the bewilderingly intricate cross-currents of forces that make up the world price. * * * The lack of accurate information in general on the part of producers renders them more or less helpless in bargaining; the price is usually determined for them and not by them. The need for more complete analysis of costs is patent here.

PRIMARY AND TERMINAL MARKET PRICE.

"As goods pass from the local market to the primary and terminal market, they enter the wholesale market system. Here there is a high type of organization; trained mind meets trained mind; knowledge is pitted against knowledge. The great forces of demand and supply work here under the most intelligent direction. The wholesale prices are the standard in accordance with which practically all other prices, especially of agricultural commodities, are gauged. 'Wholesale prices are more susceptible to, and they more accurately conform to, the various elements affecting demand and supply than do either retail or farm prices.'

"It is practically impossible to ferret out all of the influences that are at work upon the wholesale market prices. There is no single price; for prices are composites; they are the result of complex action. *To escape a bewildering maze, it is necessary to keep in mind the fact that the price of today is really an inheritance of past years, that prices tend to persist unless there is tangible reason for change, that the true difficulty is to transmute an item of news into terms of price.* Some change in the field of production or in the field of consumption will spread by direct or by indirect influence through the entire system, becoming less and less as it spreads. For the wholesale market price is a system with no logical beginning or end.

"The aim of any one seeking to understand the wholesale price of any given commodity should be to isolate the controlling factors. The purchasing department of a large cereal manufacturing concern, in order to master the wholesale price factors in the primary market for grain, plotted those prices from 1869 onward, accounting as fully as possible for every fluctuation. With this analysis it became possible to work more intelligently toward foreseeing the trend of prices, for the price of the day has a relation to past prices and to future prices.

"The future price is a speculative price in the sense that many influences are uncertain, but even in such a price it is possible to ascertain constant factors. Some kind of a charge is always running against commodities until they are consumed. * * *

"It is clear that the performance of every function in the marketing process is a charge against each commodity. The more difficult and hazardous the function the higher the charge. Time and place values are greater for perishables than for coal or pig iron. Take an example of citrus fruit. The cost per dozen of marketing California oranges in eastern markets based on an assumed retail price of 40 cents per dozen shows that the grower receives 10.7 cents, picking and hauling to packing house cost 1 cent, the packing house cost is 2.9 cents, freight and refrigeration cost 8.2 cents, the grower's selling cost is 0.6 cent, and the jobber's margin is 3.3 cents.

* * * * * *

"The prices in wholesale markets tend more strongly to be leveled out to an adjustment between markets representing costs of transporting, than local prices. In a highly organized business, as that of wheat, markets are kept closely adjusted through arbitrage. In perishable products the diversion of cars in transit aids greatly in price adjustment. In spite of all efforts, however, prices do get out of joint. But prices may readily get out of joint, for prices constitute a system in the literal sense that they are so connected as to make a complex whole. To understand the workings of this system at any given time and the changes it undergoes from one

time to another, it is necessary to trace the interconnections among different parts of the system. These interconnections are numerous and varied in their character. The whole system of prices is not a miscellaneous aggregate of simple commodities, but an organized combination of groups of commodities. The prices of articles within this group have especially intimate relations with each other and the groups themselves cross each other in rather perplexing ways. * * *

PRICE QUOTATIONS.

"*Wholesale as well as retail prices are often quoted in the papers. It is important to know what these quotations mean and how they are arrived at. In the exchanges the quoting of prices is carefully regulated. At the opening of the exchange each morning there is a bit of flurry in buying and selling, a playing for advantage between the bulls and bears, for the first sale makes the 'opening' price for the day, and fluctuations up or down are calculated from it. There is a corresponding struggling just before the closing gong strikes. Between these two prices all variations are recorded, together with the amount bought or sold at the new price. All of these prices are reported and spread broadcast throughout the country. They represent, however, prices for the basic grades of commodities. In addition there may also be given in the market reports what is bid or at what figure the commodity is offered.*

"In the stock yards the day's prices are quoted for different grades of livestock, and the ranges in price are usually given. It may happen that no single transaction has taken place at the figures quoted, but within them the sales have taken place. These price ranges are secured by a special reporter who circulates from day to day among the commission men and stock buyers and makes inquiry. On the Butter and Egg Board the prices, bid and offered, are written on the blackboard, but the reported quotations are secured in much the same way as in the stock yards. In the produce market the representative of the official bulletin interviews, for instance, the 'dressers' and live poultry men regard-

ing prices for the day; and having formed his ow
judgment of the feeling at the time the session is o
he establishes the quotation for the day. The r
porters go about the street and find out the views
different merchants, and out of these 'talks' develo
the price quotations for the day."

In "Marketing," written by Paul D. Converse, He
of the Department of Commerce, University of Pitt
burgh, the following is set forth, page 206:

"The professional traders in forming their opi
ion as to the trend of prices consider all the know
factors affecting supply and demand. In the ca
of wheat they consider the conditions of the cro
in all producing countries, the acreage planted, th
amount carried over from last year, the visible su
ply, the probable amount still in the hands of th
growers, the export demand from all importing cou
tries, and the rate at which the domestic mills a
purchasing. They thus form their opinions as t
probable conditions in the future and buy and se
accordingly. As the crop conditions are affected b
the weather the prospects may change materially i
a short time. The report of rust in Saskatchewa
may cause a violent increase in price, while the new
of rain in Argentina may cause a drop in price
The news of an impending war may send prices u
as the armies will need wheat. Prices are also a
fected by the general industrial and financial situa
tion. Different traders attach different importanc
to the same report. One trader considers a certai
bit of news important while another trader ove
looks it entirely. One trader considers himself be
ter informed as to actual conditions than other
Hence a difference of opinion as to future prices an
hence future trading."

Prof. Clarks in his Principles of Marketing, alread
cited, states on page 422:

"Futhermore, market prices tend constantly t
change as a result of the variation in knowledge o
fundamental conditions possessed by traders, th

strength of consumers desire and the need of sellers to realize on their merchandise. At any one time, the estimates which traders make of conditions of demand and supply, present and future, determine the actual demand and supply which is effective in the market—whether they reflect the true potential conditions or not. The extent to which these estimates are correct over given periods determine how closely market prices will conform to costs, as well as the range of fluctuations in prices over shorter periods."

Also on page 426:

"The retailer, like the manufacturer, sets many prices by estimating the price which will bring the best returns. He may do this by comparison with similar goods in his own store and *with the prices charged by competitors.*"

It is evident that the market news does not determine the price. The price at a given time is the resultant of the action, it may be of thousands of men, and these men act not according to market news but according as they individually interpret market news. In the final analysis the price is determined by supply and demand, and these economic forces market news endeavors to reveal, in order that men may use their judgment and formulate each his individual action.

III.

MARKET NEWS IS ABSOLUTELY ESSENTIAL TO COMPETITION.

In the case of *U. S.* v. *Union Pacific R. R. Co.*, 226 U. S. 61, Mr. Justice Day thus defines competition:

"To compete is to strive for something which another is actively seeking and wishes to gain."

He then says:

"The Southern Pacific, through its agents, advertisements and literature, had undertaken to obtain

> transportation for its 'Sunset,' or southerly route across the continents, while the Union Pacific had endeavored in the same territory to have freight shipped by way of its own and connecting lines, thus securing for itself about 1,000 miles of the haul to the coast."

In order then for the Union Pacific to strive to secure the larger amount of this great volume of freight, its freight solicitors would first have to study carefully the character of the business, the rates charged by the other road, the service being rendered by it, the personal influence that was being exerted by the officials of the Southern Pacific and the advertising it was doing. It would also have to take into account ocean rates from New York to the coast as well. Suppose that the Union Pacific should fix its own rates based on what it believed was the cost of the service, furnished what its officials believed were reasonable accommodations to shippers, regardless of the rates charged by the Southern Pacific and regardless of the rates charged by ocean carriers, and suppose further that it paid no attention to the special facilities furnished by the Southern Pacific, would that be competition? It certainly would not. Can one railroad compete with another when it pays no attention to what its rival is doing? To assert that it can is a piece of dishonest nonsense. Counsel for the Government, in their brief, page 168, make the remarkable assertion referring to the time when the Sherman Anti-Trust Act was passed:

> *"Under those conditions but little attention was given to the price of competitors."*

In other words, at the time the Sherman Anti-Trust Act was passed in 1890, railroads fixed their rates for competitive points without any knowledge or inquiry as to the rates of other railroads at the competitive points,

there never had been any rate wars on the railroads of this country prior to 1890. Farmers were in the habit of selling their wheat without inquiring what their neighbors were receiving for wheat, or what the local elevators were paying or what was the price at Chicago or Liverpool. In those halcyon days, manufacturers of sugar sold their product at a cost plus basis, serenely unconscious of the price charged by rival refiners. In those days brokers sold stocks and bonds without asking what was the price on the stock exchange. The Standard Oil Company had never run down the price of oil to put some recalcitrant rival out of business.

The truth is that as far back as men have any knowledge of trade or commerce price has been one of the first considerations in competitive buying or selling. Prior to 1890, the whole fabric of railroad rates in this country was created after a number of costly rate wars, the closest attention being paid to the rates of rival roads at competitive points, as well as to water carriers in regions where they were factors in transportation. Corners or attempted corners on the Chicago Board of Trade had on various occasions started wheat or corn to market in a veritable flood.

As long ago as 1720, Daniel Defoe, in his "Tour of Great Britain," Vol I, Letter II, wrote a description of the great Sturbridge Fair and said: "There is scarce any price fixed for Hops in England, till they know how they sell at Sturbridge Fair." It is inconceivable that at the Fair, the growers of hops sold them without inquiry as to what others were receiving or asking for hops, what was the conditions of the crop, what was the probable consumption, and all the other factors which enter into supply and demand. The information would not be very accurate or very well collected but the principle would be the same.

In his book, "Marketing," Converse, the author, states page 549:

"The sales manager must consider the prices charged by his competitors."

As Clark states in Principles of Marketing, page 428

"Even when stores do not consciously follow a leader in this way—even when they themselves lead —they nevertheless follow prices in competing stores, and gather valuable information of their competitors from their own customers and from supply houses. Although a merchant has a definite way of determining the prices at which he will offer his merchandise for sale, such as cost plus a definite mark-up —he must usually consider the prices prevailing in competing stores and within the limits which his experience and judgment show to be necessary, price his own goods so that they will compete successfully. Each store ordinarily watches its competitors with great care. In this way it is able to learn what competitors are doing, and prepare to meet in some way any advantages which their prices, merchandise or service may have in the eyes of buyers, before the buyers themselves are aware of them. To the extent that this is true, it can be said that each merchant sets his prices to meet the prices of his competitors."

In his testimony for the Government, F. J. Hurtz, purchasing agent of Bradley & Vrooman Co., in speaking of fixing his own prices, was asked the following:

"Q. But you make use of the information you get (as to prices)?

A. Naturally.

Q. From your competitor's prices? (Rec. 57.)

A. Naturally.

The Court: Naturally" (Orig. Rec. 87; omitted from Transcript).

Solomon L. Sulzberger, president of the Enterprise Paint Manufacturing Co., testified for the Government.

He was asked:

"Q. How do you get quotations of oil, Mr. Sulzberger?

A. Why, where I can in the market, I usually call up one or two of the oil people" (Rec. 59).

"Q. Previous to last July do you recall whom you sought to get bids from?

A. I have called up Hirst and Begley. I have called up Goodrich, I have called up the American. In fact all of them" (Rec. 59).

Also:

"Q. Now, in selling your oil, Mr. Sulzberger, you aimed to follow as nearly as possible the crusher's price for that day as nearly as you could ascertain it?

A. Yes, sir.

* * * * * *

Q. Aimed to get the same price that they did?

A. Yes" (Rec. 63).

It would seem that counsel for the Government should have instructed Mr. Sulzberger, their own witness, that when the Sherman Anti Trust Act was passed, men were able to compete without paying any attention to the prices of their competitors, and that when he made inquiry as to the price others were asking for oil, he was doing something which that law was designed to prevent. But in his apparent ignorance, Mr. Sulzberger carried on his business as men have always done ever since business became an activity of mankind and in the manner they will carry on business as long as prices are determined by the play of competitive forces. If this is so, market news is essential to competition and the statement of counsel for the Government that "formerly little attention was given to the price of competitors" was wholly inaccurate.

IV.

MODERN BUSINESS CONDITIONS MAKE IT NECESSARY THAT MARKET NEWS BE SECURED IN THE MOST EFFICIENT, RELIABLE AND ECONOMICAL WAY—THAT IS TO SAY, BY CO-OPERATION.

1. The Development of Markets.

In former days a market was of a very limited area. It might be limited to a town or to some comparatively small area. But with the great development of transportation in the last 150 years, this has all been changed. Today the wheat from the Dakotas competes not only with the wheat from Kansas, but also with the wheat from India, Australia, and the Argentina. Percival White, in his book, "Market Analysis," published in 1921, makes this statement, page 1:

> "Originally, a market was the actual place where the exchange of one commodity for another took place. Since at that time there was no money, trading was done by a system of barter, by which the superfluous commodities of one man were exchanged for those of his neighbors.
>
> "Although markets have changed greatly in outward semblance since then, the fundamentals remain unaltered. A market is still nothing more or less than an opportunity to buy or sell. The great difference lies in the methods of locating the market, supplying it with commodities, and securing payment for them. Markets have ceased to be local assemblies or fairs held at some crossroads or other central location. A modern market is limited in scope only by the number of possible users of the product throughout the world. The introduction of money, improvements in transportation, the use of manufacturing and many other factors, have tended to specialize and complicate the original simplicity of the marketing function."

Also on page 222:

"The ever increasing volume of traffic greatly complicates the marketing problem. The railroad, the steamer and the automobile, all innovations, have revolutionized, and are still revolutionizing the distributive system to such an extent that possible markets for home manufactures have become international. The invention of the refrigerating system alone allows the whole country to have fresh oranges and bananas. The market for them has been enormously broadened. What is true of oranges and bananas applies equally to almost any other product. Increased facilities of transportation allow companies to invade markets, hitherto inaccessible."

Fred M. Taylor, Professor of Economics in the University of Michigan, in his book, "Principles of Economics," published in 1921, makes the following statement on page 247:

"Though a market usually has a location, the really essential element in it is rather a threefold set of relations: (1) Those among the sellers, (2) Those among the buyers, and (3) Those between the two groups over against each other. If men in Chicago, Detroit, and Duluth are freely competing with each other in selling wheat to the same general group of buyers, they belong to the same market, though located in widely separated cities. On the other hand, if two persons living in the same city and both selling coffee are after all dealing with different groups of buyers, they do not belong to the same market."

It is evident that markets are becoming broader all he time and as to some commodities such as cotton and heat they are practically world wide.

Now it is entirely obvious that where two competitors ere set down side by side in a fair or in a small town, ey had no trouble in keeping pretty well informed as the condition of the market. Each would know almost

exactly what goods the other had on hand, what he wa asking as to price, and the amount of his sales. Of cour his competitor would have equally large information wit regard to him. Several small manufacturers supplyin a local trade would at all times be well informed as t the trade conditions in the local territory, prices aske volume of sales, stocks on hand, etc. The farmer wh would engage in trade by leading a cow to town to se her at the local fair would be informed as to all the fa tors involved in that market before he made a sale. Bu when the small local merchant is in competition not onl with his competitor across the street, but with Sear Roebuck & Co., and Montgomery Ward & Co., both, may be several thousand miles away, something else i required. When the small manufacturer has expande into the great industrial concern, seeking to meet com petition in the markets of the world, something more i needed than his personal observations or the reports of few salesmen. When the farmer begins to ship carload of cattle to Kansas City, Omaha or Chicago, he need exact, comprehensive and reliable information with re gard to every fact which may affect or enter into th price of those cattle. Otherwise he will act in darkness

It would seem obvious that no individual, that no cor poration could hope to enter the great markets of th present and the tremendously greater markets of the fu ture, without making ample provision for securing mar ket news as to his product in the market which he expect to enter.

2. The Development of Scientific Methods in Busi ness.

But, aside from the vast development of the marke itself, modern business demands something much more

complete and exact as to market news than that which was satisfactory a few years, not to say a few decades ago.

Arch Wilkinson Shaw, Lecturer on Business Policy in Harvard University, in his book, "Some Problems in Market Distribution," says, on page 1:

> "Until recently business has developed largely on an empirical basis, though there is a general healthy feeling abroad that the business man should approach his problems in the scientific spirit and should have exact information to guide him in meeting and settling them. To that end, departments for the gathering, classification and interpreting of statistics have been organized by many concerns, physical laboratories have been established for research work, and tests of materials and special staffs of trained men are maintained to study every operation and process involved in the business and to find and apply the most efficient known way of performing each."

Percival White in his Market Analysis already quoted, states, page 2:

> "If we were in possession of all the data, it is safe to say that markets would be as measurable, as certain, and as determinable as any other phenomenon which obeys fixed laws. Markets are real, tangible, definite things. They may be plotted, and charted, and mapped and reckoned with just as accurately *as our knowledge of the facts will allow.*
>
> "We are inclined to look upon marketing problems today as we looked upon production problems ten years ago. Manufacturing in those days was more or less subservient to accident. It happened. Schedules, planning departments, routing and other outgrowths of modern production were as unknown then as is market analysis today.
>
> "It seems indisputable that the markets of the future are to be won only through the application of the same scientific methods which were so successful in the field of production.

• • • • • •

"The application of science to markets depends not upon guesswork, nor even upon a qualitative analysis of conditions, but rather upon a comprehensive understanding of industry in general, of the special line of business in particular, and of a quantitative analysis *of all the facts involved.*

* * * * * *

"Every science is built upon facts. Therefore, the first step in the application of science to markets is to reveal all the pertinent facts possible to obtain."

In Prof. Clark's able book heretofore cited, he makes this statement, page 381:

"But as markets grow in size and complexity, as roundabout methods of production involving months and years of time are more extensively employed and as the necessary investment in fixed plant increases in relative amount, conditions arise which make it necessary that information concerning demand and supply be carefully collected, interpreted and dispersed, if this equilibrium is to be in any measure realized."

There is no question but that every phase of business and especially of marketing is being put on a more scientific basis, and that it is necessary and highly desirable.

3. The Inadequacy of Governmental and Other Special Agencies.

As has already been pointed out, the Federal Government has developed, and is developing great agencies for the collection and dissemination of market news. This is particularly true of the great crops such as wheat, corn and cotton. It is of course obvious that the single planter of cotton cannot individually inform himself as to world conditions, nor could even large associations of planters, and yet the sale price of every pound of cotton is affected by conditions all over the world and by the

sale prices of cotton in every cotton market. Therefore, it is desirable that even the small planter of cotton be informed as completely as possible as to every factor affecting his market which is world wide.

The Government does this on a tremendous scale. More than that, the activity of the Government is supplemented by a number of private agencies such as newspapers, farm journals, brokerage houses and private agencies. In the case of the great agricultural products, it is necessary and desirable that the work of the Government should be supplemented by other agencies.

More than that, the Department of Commerce gets out a bulletin on business conditions, called Survey of Current Business, which is designed to give information as to business conditions in many varied lines. The object is to collect and disseminate facts with regard to many commodities, that is market news, and it is a field in which the Government is making great advancement, and properly so.

The facts are arranged so as to give comparisons with previous periods; and to facilitate comparisons between the various items, index numbers have been calculated showing the relation of any month to a base period, usually the monthly average for 1913. The major groupings of the "Business Indicators" are: production of basic commodities, stocks of goods on hand, prices at wholesale, retail and the farm, business finances, banking data, transportation and distribution measured by value of imports, exports, and domestic sales. Some statistics on labor, employment, immigration, wage movements, and the like are prepared. For some commodities, figures of consumption are given, and for some the volume of unfilled orders.

Much business reporting is also done by the Federa Reserve Board.

But the "Surveys" do not cover every field in detail With regard to manufactured products the Governmen does not maintain any agency which covers the field s elaborately as it does with regard to agriculture, an even so business cannot wait on the Government. Th Government can and properly should aid business men but it cannot properly take over their functions. Me trade every day, in fact every hour of the day and the cannot trade on the basis of a Government bulletin an more than a planter would be expected to sell his cotto crop without any knowledge of the present market quo tation on cotton at New Orleans, New York and Liver pool.

Almost any product which is sold in a country wid market in which there is great activity is beyond th reach of any individual or corporation of less than dominating size in the industry to adequately collect new as to trade conditions. Of course, the individual can d something. Of course a man can collect news from hi neighbors, from casual inquiry as to the world happen ings or as to matters of local importance, but men nowa days want to know what is happening in the world a fast as the telegraph, the cables and the wireless ca carry it. Today, we want our newspapers issued i hourly editions. But business men have just as grea need of market news as accurate as it can be secured an forwarded instantaneously.

It is as reasonable to argue that a man should be lim ited to his own efforts in the gaining of market news a it is to argue that he should not have the great press agencies and the newspapers to keep him informed as t the general news of the world.

But, more than that, the great agencies for the collection and dissemination of market news with the exception of the Government are private agencies. The news which they collect is property which the courts will protect. So that men have to depend on their own efforts to a very large extent for adequate trade information.

4. A Great Deal of Market News Can be Collected and Disseminated Only Co-operatively.

The great news agencies notably the Associated Press are co-operative news gathering associations. A number of newspapers will pool their news gathering resources for the benefit of all. Some of the newspapers are competitors or their field of operations will overlap, but to adequately collect the news is too great a task for any one of them. The newspapers of Chicago maintain a local news association called the City Press Association.

This association collects a great deal of news, sending it to the various papers members of the association. It is not because they have ceased to compete, but because they have learned that much of the news can best be gathered through the combined endeavors of all.

The same principle runs through all business.

In former days, when business enterprises were more individualistic in character, much trade information was secured by espionage. William H. S. Stevens, Professor of Business Management in the Tulane University of Louisiana, in his book, "Unfair Competition," devotes a whole chapter to this subject. The Government prosecutions against the National Cash Register Co., the United States Shoe Machinery Company, and others brought out many charges of this kind. But such methods are today

out of date, and doubtless come within the prohibitions of the Federal Trade Commission Act.

The best example of a co-operative enterprise in this regard is afforded by a stock exchange. Here all trading is in the open and the volume of sales and the prices are immediately known to all the members. It is clear that if a business concern desires to know promptly what its competitors are asking for their product, and especially as to changes in prices asked the trade as well as stocks of goods on hand, it can secure such information only from the competitors themselves. Of course it can get the information itself after a fashion. If it is a department store, it may send buyers around to the stores of its competitors to price or purchase various articles and get a line on the stocks carried. Or it may bribe employees of its competitors to secretly furnish it with information. But the first method is roundabout and unsatisfactory. It lacks immediateness and accuracy, while the bribing of the employees of competitors is no longer regarded as legitimate competition. It has been condemned as "commercial bribery." This has resulted in a great development of co-operation in collecting and distributing trade information.

Percival White, in his Market Analysis, already cited, page 177, says:

> "Companies have begun to realize that their own ideas are not sufficient, however valuable they may be. They also realize that if they are to obtain the benefit of their competitors ideas, they must give their own in return.
>
> "This tendency among competitors to co-operate is indicated by the growth of the various trade associations, such as the National Automobile Chamber of Commerce, the National Canners Association, the Hardware Dealers Association, etc. In following out this trend, business is only imitating the example of the medical profession and the sciences, which have

long realized the value of exchanging information. This growing feeling of friendliness among competitors is fostered by the various trade papers.

* * * * * *

"Bankers and brokers, for instance, are usually willing to give each other information concerning various securities. In this way, a man is able to get information which would be exceedingly difficult and expensive for him to obtain by any other method."

Market news for the most part is today gathered by some form of co-operation. When a newspaper sends a financial reporter to inquire as to prices of various dealers in some line, he has to obtain their co-operation. The great organization maintained by the Government for the gathering of trade information as to wheat, corn or cotton is nothing more nor less than a great co-operative enterprise. The cotton growers report to the Government from time to time as to acreage, condition of crop, cotton held over, etc. The Government then acts as a clearing house for this information.

The principle is the same when applied to some smaller organization. Modern business conditions make it imperative that business men have more complete, more accurate and more immediate trade information of every kind. It is evident that if this is to be secured, some rational method of co-operation must be developed, and operated. Rather it has been developed and is being operated either by the Government itself through some of its agencies, such as the Department of Commerce, the Federal Trade Commission, or the Federal Reserve Board, or else through private agencies securing the co-operation of those engaged in the business or industry itself.

V.

THERE IS NO DIFFERENCE IN THE CHARACTER OF THE ECONOMIC RESULT WHEN MARKET NEWS IS COLLECTED AND DISSEMINATED CO-OPERATIVELY OR PRIVATELY THAN WHEN IT IS COLLECTED AND CLEARED THROUGH A GOVERNMENT BUREAU.

It would seem evident that the collection and dissemination of market news tends to bring about certain definite results:

(1) As has already been pointed out, it tends immediately to broaden the market. When the farmer learns that the local price for wheat, as paid by the grain elevator is out of line with the price in Chicago, he will at once ship to Chicago. When the price in Chicago lags behind that in Liverpool men will at once buy wheat in Chicago and sell in Liverpool. As a matter of fact without a high development of market news, all of our markets would be purely local.

(2) Market news reveals the forces of supply and demand. It reveals the quantity of a product which is on hand, the probable demand, the price at which it is being sold, the bids that are being made for it, and the probable rate of consumption.

(3) Market news tends to bring prices more quickly into conformity with supply and demand, and thus to prevent wide variations in price at a given time. This is explained by Prof. Taylor in his "Principles of Economics" already cited, at page 278:

> "From the facts of demand and supply presented in the last chapter, the student might naturally expect to find *the same commodity selling for several different prices.* The appearance of a particular portion of demand, we learned, is conditioned on the establishment of one particular price, the appearance

of another portion on the establishment of another price, and so on; and an exactly similar statement is true for supply. At almost any price then, buyers could find someone ready to sell, and sellers could find someone ready to buy. Even if the forces we are about to study seemed likely to set up a certain price, say 55 cents in our silver problem, why is it not reasonable to expect that sales would after all be made at both higher and lower prices?

"Under some circumstances, this would undoubtedly prove to be the case. If several buyers with different notions as to what they wish to pay, go to as many different sellers, and, without inquiring of more than one seller make their purchases, some will certainly pay more and some less for the same commodity. The reason is that each buyer is unaware of the offerings of sellers other than the one he has visited. Similarly, if various sellers are dealing each with an isolated customer, some will get larger prices and some will accept smaller, because each is unaware of what other customers might be willing to pay. Even in the same trading room, it sometimes happens that the noise, crowding, and excitement so operate as practically to separate the sellers and buyers into different groups, making sellers in one part of the room unaware of what sellers in another part will take. Here also, therefore, some buyers will pay more than they would really need to if they looked about them a little, and some sellers will accept less.

"But the cause of these variations is plainly something abnormal. The market described is not even approximately the perfect market which our study postulates. Full competition between the different sellers on the one side, and the different buyers on the other is not realized. Some of the sellers do not have a chance to provide every buyer with an opportunity to purchase from them. Some of the buyers do not have a chance to provide every seller with an opportunity to make a sale to them. If all sellers and all buyers did so provide, the result would be very different. No buyer would pay more than any other, because other sellers, desiring to get his custom, would underbid the seller about to receive the exceptionally high price,—would, so to speak, *force the*

buyer to take their wares at the lower price. Neithe would any seller accept less than any other, becaus buyers other than the one about to get the commod ity at the lower price would promptly overbid tha one,—would so to speak, *force the seller to take higher price.* In a market which is truly single an theoretically perfect, therefore, any commodity a any one time must be selling at a single price.

"In the real world, of course, there are no theo retically perfect markets. The great exchanges fo wheat, cotton and steel where many buyers and sell ers actually meet in the same room and where almos every conceivable means is available for informin one's self of the facts, doubtless at times approac perfection; but ignorance, folly and the failure o competition always prevent the condition from bein reached; and in ordinary markets, naturally, this i much more emphatically true. Nevertheless, the ten dency toward a single price, set up by the force mentioned above is always sufficiently strong to be o real and practical significance. Even in the retail trade, differences between the prices of the same commodity in the same market or in connected mar kets are at once recognized as abnormal. The small est differences are remarked upon; anything like an indefinite enlargement is quite impossible; and with the spread of greater knowledge, alertness, and skill among buyers and sellers they must tend rapidly to diminish and disappear.

"Summarizing the above discussion, we have the following principle:

"Principle—The Law of Single Price.

"Within the limits of a truly single and theoreti cally perfect market, no commodity can have more than one price at the same time; and even within the limits of imperfect markets or groups of connect ing markets, any commodity must tend to have a single price,—allowance being made in the latter case for the expense of shifting from one to another of the connecting markets."

(4) Market news enables men to more quickly meet competition. A man knows the prices his competitors are making to the trade. He can cut under them, charge the

same price or do anything else he may please, to enable him to get the business. If he did not know their prices, he could not do this. He would then be acting in the dark.

(5) Market news enables men to better observe market conditions and so to an extent at least forecast conditions.

Lionel D. Edie, Associate Professor of Political Science at Colgate University, in his article on the "Coordination of Production and Marketing," published as a part of the book called "The Stabilization of Business," written by a number of prominent economists, and published in 1923, says at page 221:

> "The purpose of such economic data is business planning. The science of statistics furnishes the material for prediction and forecast. Prediction in itself is no new thing in the business world. But prediction that gets beyond loose guesswork and general 'hunch,' is decidedly new, and it is this new kind of guesswork, based upon more adequate and better analyzed data, which follows from the modern business method."

There is no field in business in which more is being done at the present time than in this one. The ever recurring periods of great business expansion followed by periods of great depression with the enormous losses which they entail are being studied not only by economists, but by business men as well. If a business enterprise is to avoid the shoals of bankruptcy, its managers are going to have something more scientific than the rule of thumb methods of the past.

For this reason, individuals, associations, newspapers, trade journals, private agencies, banks, chambers of commerce, The Census Bureau, the Department of Commerce, the Department of Agriculture, the Federal Re-

serve Board, the Federal Reserve Banks and the Federal Trade Commission, are all engaged in collecting and distributing knowledge and data, as to everything which may possibly affect trade or commerce in every known commodity.

These facts do affect prices. There can be no gainsaying of that fact.

On September 1, 1921, the Department of Agriculture issued its monthly report showing that the cotton crop would probably be 49.3 per cent of normal, with an estimated production of but 7,037,000 bales, the smallest production in 30 years. On the New Orleans Cotton Exchange, the price of cotton went up $6 a bale inside of ten minutes, after the report became public.

On September 8, 1921, news came over the cables that cotton had fallen in price on the Liverpool market, and immediately the price fell on the New York and New Orleans exchanges. This news was of course reflected in the price of cotton in the remotest hamlet in the south.

On September 11, 1921, news of a great storm in Texas which was thought to affect the Texas crop helped to start a rise in the price of cotton. This news was doubtless collected by newspapers. Also on September 11, 1921, returns from the British Board of Trade showed exports of yarns during August of 15,200,000 lbs. against 12,900,000 lbs. during August, 1920. This news tending to show a greater demand helped to bring about higher prices.

In all of these cases, and they are typical, it was the character of the news itself and not the agency which collected and disseminated it which affected the price of cotton. There was no virtue in the news of a shortage because it was collected by the Department of Agriculture, which would have become a vice if it had been col-

lected by a cotton broker or by an association of cotton planters. The newspapers did not cause the storm in Texas, nor was the British Board of Trade responsible for the increased export of yarns which its report showed.

If all of these facts had been collected by some man or group of men and if instead of giving them out they had held them, as they would have had a right to do, the ultimate effect would have been the same. Sooner or later the price of cotton would come into proper economic relationship to the supply and demand. That result could not be avoided. The more completely the facts are collected and the more widely and the more quickly they are distributed, the sooner will the price of the commodity reach its proper economic level, whether that price be high or whether it be low.

The fact then, that market news is collected by some individual or by a group of individuals, and is used by them, and not made public means nothing. In so far as they have collected and disseminated market news to that extent have they hastened the process of economic adjustment. Their failure to immediately make their information public does not retard the process of economic adjustment. They simply to that extent fail to hasten it. The ultimate economic result is no different. It simply does not come about as soon. There is no different result in the ultimate. Sooner or later the news becomes public and the adjustment follows.

But men have a right in this country to the knowledge which they secure whether it be of markets, law, political news or of anything else.

Meyer Rothschild learned the result of the battle of Waterloo and at great danger reached London before the official reports. He did not affect the result of that battle, but he had a right to use that market news for his

own trading as he did, just as he would have had the right to the first publication if he had been running a newspaper. In a short time, the news became public and the market adjusted itself to men's views of the result of the great battle. Rothschild did not retard the result. In so far as he acted he hastened it.

We have not yet arrived at a place in this country where men are to be condemned for failing to wait on Government agencies. There is still a place left for individual enterprise and initiative.

VI.

THE ARMSTRONG BUREAU WAS ESSENTIALLY AN AGENCY FOR THE COLLECTION AND DISSEMINATION OF MARKET NEWS.

It appears from the record in this case that there was no general agency for the collection and dissemination of market news with regard to linseed oil when Julian Armstrong, in October 1918, organized the Linseed Oil Council, as a member of the Armstrong Bureau.

It was a privately owned enterprise, organized and operated by Mr. Armstrong. He collected and sent out the information and maintained the offices. In this regard it did not differ from other news collecting agencies such as trade papers and a large number of market news agencies.

It is evident, from the record, that there was an economic need for such an agency. While there is an open market for flaxseed, there is no such market for linseed oil or other products manufactured from flaxseed. In order for a man to get a line on the price of linseed oil it was necessary for him to "shop around."

Solomon L. Sulzberger, testifying on behalf of the Government stated:

"When I am in the market (for oil), I usually call up one or two of the oil people for quotations." (Rec. 111; Trans. 59).

The inadequacy of this method is shown by Mr. Sulzberger's further testimony:

"I have called up the representatives of Kellogg, of Goodrich, or of the Midland, but I have not done so recently, not since last July. The reason is because I am not sorry to say, I bought my oil last August and I have not had any occasion except as a matter of curiosity to call anybody up on oil."

Certainly, Mr. Sulzberger's information was in all probability rather inadequate. Here was the situation: There were a number of crushers of linseed oil located in New York, Buffalo, Cleveland, Toledo, Chicago, Milwaukee, Minneapolis, Red Wing and Des Moines. They were engaged in selling linseed oil all over the country. Now, it is evident that if they were at all times to have complete accurate and adequate information as to the country wide market for linseed oil, they were going to have to secure it from some place other than the daily newspapers, and the Government publications.

Mr. Quine, testifying on behalf of the American Linseed Oil Co., one of the largest companies, stated that the information sent out by the Bureau only enabled him as sales manager to check up on the reports of his own men as to prices, etc. But he stated that this made his information more accurate and gave him a line on what his competitors were doing in the territory (Rec. 207-208; Trans. 119).

But of course, the smaller concerns would not have the facilities of the larger concerns in this regard. While the price of linseed oil as offered by the various crushers did not change as rapidly as that of some commodities, yet the manufacturers were greatly in need not only of

price information, but also information as to the quantity on hand and the sections of the country from which there was the greatest demand. If there is need of market news in any business, there was a need in the linseed oil business.

The facts which the Armstrong Bureau collected and disseminated constituted market news. The individual subscriber, when he had quoted a price on linseed oil to the trade at once reported such fact to the Bureau. In turn, this fact was immediately reported by the Bureau to the other subscribers.

In his book "Marketing," already quoted, Duncan states page 206:

> "Whatever has any effect upon the market price is trade information. This means that any event which changes in any respect the supply of or demand for any commodity is market news. * * * Knowledge of facts, then, that can be judged on a price basis is market information."

In this regard, the most important fact is what are men asking for or offering for a given commodity at a given time and place. There are numerous stocks on the New York Stock Exchange which are not traded in every day. But every day the financial page of the newspaper carries a list of these stocks with the price "bid," and the price "asked." As to active stocks there are reported not only the actual sales, including prices and number of shares sold, that is to say the actual transactions, but the price "bid" and the price "asked" at the closing of the exchange. A storekeeper has a box of strawberries in his window marked "35 cents," indicating that he is offering strawberries at that price. All of this is of course legitimate market news. Every week a prominent Chicago brokerage house sends out a list of bank stocks and local bonds giving the "bid" price and the "asked" price.

Now when the American Linseed Oil Co. for example, quoted to a prospective customer at Columbus, Ohio, linseed oil in carload lots at $1.53, a gallon, that was a piece of market news of interest to buyers or prospective buyers, and of vital importance to every one of its competitors. There is no need of saying that it looked toward the future. It was a fact definite and immediate when the Hirst & Begley Linseed Co. would send out instructions to their salesmen that they were to offer linseed oil for a certain delivery at $1.65 a gallon in carload lots; that also was a fact belonging to the day the instruction was sent out.

When a crusher sent in to the Bureau information to the effect that it had already quoted linseed oil to the trade at a certain price or that it had instructed its salesmen to offer linseed oil to the trade at a certain price, it was sending news of facts already accomplished just as much as if it had notified the Bureau of a sale already made. The important element is that it was market news which sooner or later its competitors would find out and which they all needed to know as soon as the offer was made or the instruction given.

As to the record of sales of oil and other products of linseed, including prices and statistics as to stocks on hand, of course no one would presume to claim that they were not vital elements of market news.

Furthermore, the fact that the Armstrong Bureau collected a large portion of the facts from its subscribers did not change the essential character of the enterprise. In the first place, the subscribers were the only ones who had the complete information. No one else would know the stocks on hand; no one else would have the complete information as to the prices offered to the trade. If the information was to be collected by the Department of

Commerce, it would have to obtain it from the s
source. In other words, the facts and statistics, th
to say the market news, with regard to the linseed
industry in the nature of things must be secured f
the linseed oil industry itself, just the same as infor
tion with regard to the acreage planted to cotton is
lected by the Bureau of Crop Estimates from the co
planters themselves.

It would seem apparent then, that the Armstr
Bureau was functioning as an agency for the collec
of dissemination of market news with regard to the
seed oil industry.

VII.

**THE METHODS USED BY THE ARMSTRONG BUREAU WERE SIM
THOSE WHICH WERE NECESSARY IF IT WAS TO EFFICIEN
COLLECT AND DISSEMINATE MARKET NEWS OF THE
SEED OIL INDUSTRY.**

1. Source of the Bureau's Information.

As has already been discussed, the Armstrong Bur
collected its facts from its subscribers, that is from
industry itself. That was the only source from wh
the information could be obtained. If Julian Armstr
had been operating a trade paper, and publishing
facts about the linseed oil industry, he would have
to go to the crushers of flaxseed to get the informati
just as newspaper reporters go to the produce mar
to get the current prices on food stuffs, and the Iron A
does in the Steel Industries, and just as the Stock
change gets the quotations on stocks from its memb
who are buying and selling stocks or bidding for them
offering them for sale, and just as the Census Bur
and other departments of the Government go direc

to the various industries for the information which they collect and publish.

2. The Contract and Its Penalties.

Counsel for the Government have made a great deal of the form of contract used by Mr. Armstrong in making his agreement with the subscribers, and in their Brief the contract is paraded forth in large type as something having a very sinister character. But it is to be noted in the first place that Mr. Armstrong was building up a substantial enterprise, that he would need offices, clerical help, etc., and in order to have any assurance that he would be able to go through with the enterprise, it was necessary that he have his subscribers bound on their part by a definite contract. He was obligating himself to do certain things. It was therefore reasonable and proper that the subscribers would also be under a definite obligation. That was the reason for his taking a bond. Unless the subscribers were to do their part, he would be unable to render the services he was agreeing to render therefore he was reasonably entitled to a bond from each subscriber that the agreement should be kept.

Aside from binding the members to any action regarding expenses and management, the members were obliged to do nothing except that which was perfectly lawful. Having agreed to do so they were obliged to send to the Bureau all their reports as outlined. To do less would have been unlawful. To purport to send all their reports to the Bureau and send only partial or selected reports, would have at once subjected the Bureau to the charge of being a price boosting arrangement. This plan called for all reports, the lowest as well as other prices, and the contract was so worded, and much of the work of the Bureau was so directed as to ascertain

whether any reports through inadvertence, neglect
otherwise were not sent to the Bureau. There is not
ing unlawful in assuming an obligation to perform
lawful agreement, and which if not performed would
unlawful.

The penalty provision of the contract was simply
compel the members to file all reports, and not merel
selected ones, which if not done would have been unla
ful.

3. MEETINGS.

From October, 1918, to June, 1920, the Bureau held
all twenty meetings. The most that can be said with r
spect to the meetings is, that they afforded opportunitie
for the members of the Linseed Council to arrive at som
sort of an understanding, express or implied, in restrai
of trade and commerce. It is not contended by the go
ernment that there was at any time an expressed agre
ment. There is no evidence of such, and that is not th
theory of the Government in this case.

The only contention of the government is that thes
opportunities for reaching an *implied* understanding, a
forded by the meetings, considered with the discussion
at the meetings, and the collection and distribution
statistical information, does prove an unlawful arrang
ment.

In this connection, the decision of the District Judg
Honorable George A. Carpenter, very pertinently an
soundly contains the following:

> "The prosecution, down deep, evidently believe
> that an association of producers or merchants mu
> necessarily be obnoxious to the Sherman Act becaus
> it affords an opportunity for the members to conspir
> to restrain trade.

"Where there is such an association it is perfectly natural for members to express themselves as to conditions and prices; in fact that is what the association is formed for, and these expressions have been seized upon by counsel as evidence to show that a corrupt agreement was actually made.

"To my mind some of these expressions are evidence that no such agreement was in fact made, if they are evidence of anything. It would be perfectly natural, among a meeting of oil men, for someone to say that he thought prices ought to be higher. The meaning conveyed by such an expression would be that the man was at a loss to understand why prices were not higher, taking into consideration the demand and supply and conditions of the trade. I might well say that the weather ought to be cooler without laying myself open to the imputation that the temperature had been fixed by an agreement of mine.

"*Logic which assumed that because there is an opportunity to fix prices, therefore prices are fixed, is contrary to the genius and theory of our law.* Every man is presumed to be innocent until he is proved to be guilty. If the Armstrong Bureau is to be dissolved merely because it afforded an opportunity for the members to fix prices, then this court, with equal propriety, could be asked to dissolve any lunch club where business men meet. This theory hardly warrants discussion, and I would not mention it had I not been gravely urged in this case, that such was the underlying thought of the prosecution. It is the ancient fallax—*post hoc propter hoc*" (Rec. 47, 48). (Italics ours.)

The language of the contract relating to the meetings is general in scope, qualified to the extent, however, that any subject noted for discussion must in the discretion of the Bureau be in accord with the letter and spirit of the agreement for the rendering of the prescribed service. Obviously it would be impossible to define in advance specific subjects which might properly come up for discussion, consequently phrases of the most general and harmless character were used. "Within the letter and spirit

of the agreement," necessarily, under all rules of construction, must take into consideration the specific purposes as set forth in the beginning of the contract, and found on pages five to seven of the government's brief which constitute limitations upon what subjects might be discussed at the meetings, and limit the general language just mentioned.

So then, as far as the purpose of the contract is concerned, it is wholly unfair to merely PRESUME, from the use of general language permitting discussions of matters affecting the industry, without bearing in mind the specifically enumerated purposes, that such discussions are for the sole purpose of bringing about illegal understandings. The defendants are entitled to the absolute contrary presumption which must stand until overthrown by evidence of the most clear and convincing character.

The minutes of these meetings and the testimony of the various witnesses show that nothing was said or done from which an illegal arrangement could reasonably be inferred.

Mr. Mann of Mann Brothers, Buffalo, New York, manufacturers of linseed oil, testified:

> "I never attended meetings of the crushers at the Armstrong Bureau. * * * My son consults with me with reference to prices, and our prices were never at any time controlled or directed by anything other than my own judgment as to what they should be. I never attended any meeting with any of these crushers outside of the Armstrong Bureau. * * * While my firm was connected with the Armstrong Bureau I never discussed the question of prices with my competitors or with the Bureau and never in any way wrote to my competitors in reference to prices" (Rec. 71).

Mr. Samuel Mairs of Archer-Daniels Linseed Company said:

> "I attended two meetings of the Armstrong Bureau. There was not to my knowledge, any discussion at those meetings, formally or informally, as to what prices of any of the crushers would be or as to what prices they should make or would make in the future. None of the members of the Armstrong Bureau ever criticized me in any way for any price I had ever made, or tried to embarrass me or impose any penalty upon me for making any price I saw fit at any time or in any zone" (Rec. 77).

Mr. Ferry testified fully on pages 85-87 of the record as to the character of the meetings and said among other things "There has never been a discussion as to what prices were to be charged by any of the crushers."

Mr. Goodrich of the William O. Goodrich Company, Milwaukee, Wisconsin, said:

> "Q. Did anyone ever criticize you for making any kind of a price at any time, that is any of these crushers or the Bureau? A. In the nature of a reprimand, you mean? Q. Yes. A. No, sir. * * * I attended all but one or two of the meetings of the Bureau. There were no discussions at the meetings as to prices that we would charge for our product at any time. We followed the line of procedure that has been outlined here before—the roll call and the round table, and the discussion of the docket that had been forwarded. The discussions were on subjects personal to the industry and were very general" Rec. 97).

Mr. George A. Martin of the Sherwin-Williams Company, among the largest buyers of linseed oil in the country, said:

> "I only attended six or eight of the meetings of the Linseed Oil Council at the Armstrong Bureau. There was no discussion at any of these meetings as to prices which were to be charged by any of the

crushers, and there were no understandings or int
mations of any kind as to prices which anyone shoul
thereafter charge" (Rec. 105).

Mr. F. Carlton Smith, Minnesota Linseed Oil Co. (Re
109):

"I never gave any assurance to any of the othe
crushers as to the maintenance of a price or the re
tarding of the lowering of any price. We never i
any way discussed prices with our competitors. * *
None of the other crushers ever in any way criticize
me for any price I had made at any time. We woul
not submit to it for one thing."

Mr. Leffingwell of the Northern Linseed Oil Company
on pages 110 and 111 of the record, said:

"There was no time that I felt obliged to maintai
any price for any particular time. I never gave an
assurances to anyone that I would not reduce a price
I attended all the meetings of the Linseed Oil Coun
cil under the Armstrong Bureau, and there was neve
at any time any discussion there as to the prices tha
the crushers were to charge for their product. Th
minutes of the meetings, I think, set forth the natur
and the substance of the deliberations. I never, di
rectly or indirectly, gave any assurance to any o
the other crushers as to any price or as to any chang
in prices that I would make at any time, and the
never gave me any assurances as to any prices whic
they would make or any changes of prices which the
would make. We never talked about prices at all."

To the same effect as the foregoing see Record, pp. 125
126, 136 and 147.

Counsel have *assumed* that the "friendly companion
ships prevalent in these meetings" resulted in a crim
inal conspiracy, and even state that no comment is neces
sary. Social or any kind of contact among business men
will result in their becoming more friendly disposed
toward each other than they otherwise might have been.
If one competitor is told that another competitor has

done a certain thing, even though the report be false, the most bitter ill feeling would be engendered. Such a report might fall in the category of slander of title, or regarding an alleged cut in price to a certain customer in a specific locality, for the sole purpose of injuring a competitor, all with the result of each competitor resorting to purely bludgeon tactics, entirely foreign to any sane methods of competition. For one business man to ask another if he made a certain statement, or if he has made a certain price, for the purpose of learning the truth, does not imply nor justify any inference that the person asking the question has surrendered his freedom of will and judgment, nor that he is endeavoring to ascertain the true facts for the purpose of checking a collateral agreement in restraint of trade. It is reconcilable with an innocent purpose and intent. Social contact does not even tend to prevent or induce a competitor from cutting or raising a price, when he considers economic facts warrant his doing so.

Is it unlawful to clear up such misunderstandings? Enlightenment as to conditions affecting the industry make for efficiency in production and distribution, equilibrium of supply and demand. Knowledge of all facts obtained in an accurate manner, does not mean prostitution of individual judgment for criminal purposes, and abandonment of freedom of action regarding plant management or price policy. For one to presume otherwise, is to mistake and utterly fail to understand the psychology of the American business man. He resents any interference with his right to adopt his own policy in every particular. There is not the slightest likelihood that all the statistics that can be gathered, and the fullest discussion of all the actual facts concerning an industry, will put an end to differences of opinion. THE

POSSESSION OF COMMON INFORMATION ABOUT SUCH MATTERS IS NOT GOING TO ELIMINATE THE AMBITION OF MEN TO ATTAIN POSITIONS OF LEADERSHIP. The aim should be to bring the contests and all the facts out into the open.

All this is in accord with the report of the special committee appointed by Secretary Hoover, as chairman of the President's conference on unemployment, which report is now being made public. It has to do with the stabilizing of prosperity. That committee said among other things the following:

> "The committee considers that before banks, business men and others can take constructive action in the enlightened conduct of business in this relation, there must be recruited and constantly disseminated the fundamental information on which the trends in business can be properly adjudged by each individual business man, and it strongly recommends the recruiting of enlarged and more systematic statistical information by the Department of Commerce, and its wider dissemination."

Such information cannot be obtained in any other way than through an organization similar to this Bureau. The provisions of the Bureau's contract relating to the binding of the members, regarding matters voted upon at the meetings, had to do with those things which might properly come before the meetings, and chiefly details of management, expenses, etc. There is nothing in the contract which contemplates, nor was anything done to bind any of the members to an illegal agreement, as has been presumed. The members, also, were free to ask or answer only such questions as they desired. The record does not show that any member was criticized for pursuing any policy he saw fit, in any way that could possibly be regarded as a direct restraint upon competition.

4. COMMUNICATIONS BETWEEN BUREAU AND SUBSCRIBERS.

Now, it would seem reasonably clear that if the Bureau was to succeed, it would have to have all sales and all price changes reported promptly. If a subscriber would send in word to the effect that he was quoting oil to the trade at $1.43 a gallon, when in reality he was quoting oil at $1.40 a gallon, then the information possessed by the Bureau would not be true. If he made sales and through inadvertence or otherwise failed to report them, then the Bureau, to that extent at least, failed to have complete market news. If a number should follow this policy, the service of the Bureau would be unreliable and valueless.

A case cited by counsel for the Government in their brief, page 77, from which we quote, is fairly typical:

> "On December 11, Spencer-Kellogg Co. wrote the Bureau asking that it ascertain as to the accuracy of a report that the Midland Co. had quoted a customer located in zone 3 on the basis of $1.48, raw oil and tank cars: * * * (Rec. 364).
>
> "On December 19, the Midland Co. replied that their agent in Pittsburgh denied that he had submitted quotations in zone 3 on a basis of $1.48 per gallon in tank cars."

There are a number of cases of this nature all set out at length in the brief of the Government. Now, under the plan of the Bureau a subscriber had the right to sell oil at any price he pleased, but when he changed his price, he was immediately to notify the Bureau. Otherwise the subscriber would have the unfair advantage of making the other subscribers believe that his asking price was one price, while he was in fact offering oil, or selling it at a lower price.

This regulation of the Bureau was not to avoid competition, but to maintain it, by verifying the accuracy and

completeness of its reports. If the subscribers generally were offering oil at a price around $1.43, and the Midland Company, for example, was secretly offering oil or selling it for $1.40 when its price as listed with the Bureau was $1.43, then the Midland Company was avoiding the competition of the other subscribers. If the other subscribers had known that the Midland Company had cut its price to $1.40, undoubtedly some or possibly all of them would have done the same and there would have been competition, but if the Midland could cut secretly it could avoid competition.

As has already been pointed out, knowledge of the prices in a market is necessary to competitive selling, and in so far as secret price cutting is successfully indulged in, competition is in fact avoided.

In all the cases cited by the counsel for the Government, in fact in all the cases in this record, where attempts were made to ascertain what, if any, prices were made, and not reported to the Bureau, thence to the subscribers, and then through them immediately to *all* the trade, the inquiring subscriber as well as the Bureau was insisting on full information in order that all competition might be met, and not avoided.

Suppose that on a stock exchange part of the members should make their trades in secret, the position of the exchange as an open market would be destroyed. Suppose that some cotton planters in reporting to the Government should show a much smaller acreage planted to cotton than was in fact planted, so that the price might be run up and their own holdings increased, the Government reports would be a fraud and would be valueless.

The only chance for the Armstrong Bureau to perform its economic function was for it to see to it that reports made to it were at all times true, that reports were not

delayed or suppressed. It honestly tried to make its reports trustworthy, and it was proper to insist upon complete reports, which was the purpose of most of the correspondence.

The right of the subscriber to reduce his price at any time was not affected. This must be clearly understood. But the subscriber did not have or claim the right to report one price to the Bureau and a different price to the trade.

Commencing on page 39 of the Government's brief, are quoted certain letters between the Bureau and the members, from which the inference is made that artificial factors entered into the making of prices. The contents of these letters prove exactly the contrary. It was expressly stated in the Bureau's letter, there mentioned, that the service did not contemplate the directing of any member as to what prices anyone should feel he should make. The true purpose was to direct the members to a study of all the basic facts and THINK about what they were doing, not become frantic. To tell a business man that he should not allow himself to become hysterical and stampeded is proper, because it does more good for the consumer than even the producer. A producer must always bear in mind that he should in so far as possible protect his own customers, and give them a fair chance to unload, if they be heavily stocked, at gradually declining levels. The public does not profit by a "wide open break" in a market. Stocks cannot be liquidated in a week. On a rising market, like the Linseed oil industry and every other industry passed through in 1917 and the first nine months of 1918, speculation becomes rampant. Oil went from a low of 91c per gallon in January, 1917, to a high of $1.92 in September, 1918 (Rec. 681). The public always buys heavily on a rising market, because of the fear of further advances. Inventories become swollen to abnormal proportions.

The opposite is always true on a declining market because of the fear of further declines and the desire to get in at the very bottom. When buyers have "loaded up" at high levels, and there is a cut of 31c a gallon in the price of oil in three weeks, as took place in the fall of 1918, that means not only the wiping out of the profits of the consumers, but heavy losses, unemployment, stoppage of buying and general depression. All this is too plain for argument. Such conditions lead directly to mergers and more mergers, combinations to save the weak from the ignominy of bankruptcy. Prices must and will go up, and just as surely they will come down.

The essence of these letters is no different from that proclaimed and heralded broadcast, everywhere on every occasion by every captain of industry who talks about business conditions. It could have been read in every newspaper, and Government report. Suppose the Bureau had clipped similar comment from the newspapers and mailed it to the members so as to cause them to pause and think? Would the fact that it had been circulated through this Bureau have deprived the members of their freedom of contract? The letters themselves show differences of opinion. Spencer-Kellogg replied that they took the initiative in making their reduced prices because they felt that the time was ripe. If they were bound to act in unison, as is assumed by the Government, that company broke its agreement. Nothing was said or done about forfeiting any bonds as penalty for breach of contract. When economic facts impel a reduction in prices there is always keen rivalry to be the first to initiate the same, so as to thereby get the benefit, whatever it may be, in the nature of enhanced favor with the trade.

The sole and only purpose of all this correspondence was to obtain all reports, and to urge the producers to use mature judgment in making their individual price

changes, and not lose sight of the customers' interests, to the extent that the decline should be orderly, gradual. The same low levels would be ultimately reached but with this difference, the losses would be so evenly distributed that no failures would result. The wholesaler and retailer should have a reasonable opportunity to pay off their indebtedness before the dollar increases too much in its purchasing power.

As always, many factors enter into price changes and movements, and the law does not require the business man to ignore any source of information that will cause him to study the basic facts upon which his individual judgment should be grounded before he institutes any change, up or down, in prices. To require him to meet or refuse to meet, any specific price that might have been quoted is likewise not required. The law does not compel competition, but rather that no one shall bind himself not to compete.

Business men lack time and facilities, except as aided through organized effort, to collect data requisite to enable them to properly interpret immediate complicated industrial problems, in the light of the past, and a service that sounds general notes of warning and caution is for the public good. Depressions and periods of inflation would be made as moderate in degree and duration, as possible. The depression of 1900 was followed by recovery in the next two years. The crisis of 1903-4 was succeeded by the prosperity of 1905-6. The panic of 1907-8 was followed by the good years of 1909-10. The prosperity of 1912 saw a reaction in 1913-14, preceding the world war. The war orders of Europe brought runaway markets in 1915-16. Our own entrance into the war in 1917 resulted in disturbing industry, which continued until after the signing of the armistice in the fall of 1918,

which in turn gave way to the great wave of prosperity and period of rising prices in 1919 and 1920.

The recent great rise in prices is the third this country has witnessed in similar amount during the last 110 years. The first in 1812, during the Napoleonic wars, the second during the Civil War, and the last during the World war. Each of the first two periods was followed by a 30-year period of irregularly falling prices, and a 20-year period of generally rising prices. Periods of prosperity generally have culminated in bursts of speculation, and times of depression have resulted in insolvencies, idleness, want, and discontent. These extremes are undesirable, and knowledge of business facts can go far toward avoiding them. It is inconceivable that the law should compel a situation whereby commercial industry must look forward to an indefinite future of these recurring attacks of business and industrial chills and fever. The Federal Reserve system has done much to minimize these attacks. Business statistics currently gathered and promptly available is another preventive.

IN PROPORTION AS KNOWLEDGE OF BUSINESS CONDITIONS AND PRINCIPLES OF PRICE MOVEMENTS BECOME MORE GENERAL THE EXTREMES OF THESE FLUCTUATIONS WILL TEND TO BE SHORTER AND LOWER, AND THE TIMES OF TRANSITION WILL TEND TO COME AND GO LESS RAPIDLY.

The weeks immediately preceding the signing of the armistice in the fall of 1918, which is the period when the letters in question were written, were full of uncertainty; business men were not thinking clearly. Oil declined 31¢ per gallon when flaxseed went up. Individual forecasting as to business conditions was extremely erratic and divergent views entertained. The crushers were compelled and had a right to consider the fact that their customers had purchased their requirements at higher prices, and

were obligated to accept the amounts ordered. Therefore it was also correct for the Bureau to call their attention to this fact, and then do as the Bureau told them to do, use their own judgment in the light of all the facts. A precipitous decline in prices, especially when not justified by economic facts, does infinitely more harm and damage to the public, than a corresponding rise in prices, because in the latter case prosperity becomes general and previous commitments can be met promptly.

However, by the same token, it is necessary that overexpansion be prevented. When orders are plentiful and profits large, when prices are high and selling is easy, the time has come to be careful, and to exercise caution. In line with this same trend of thought, and a regard for that which would be in public interest, the Bureau sent out a letter on July 8, 1919, to the members, which was a strong warning against selling at too high prices. It was an attempt to have the members exercise individual judgment to relieve the industry of speculation and make substantial sacrifices, even to the extent of eliminating all profits. There was no suggestion in the letter to put into effect any specific price, or maintain any price, but merely a warning against over speculation and inflation (Rec. 448). But prices of flaxseed at this time were the highest in the history of the industry, reaching approximately $6 per bushel. Consequently prices of oil did go up like those of all commodities till about the first of September of the year 1919, and from then on there was a continual recession in prices.

The months of December, January, February and March, referred to in the Government's brief are always periods of inactivity in the linseed oil industry, and during those times there are few, if any, price changes. During that same period, however, the price of oil fell 10c a gallon from a price which was unusually low, in the

light of production costs, and added to the drop of 31c per gallon which took place just prior, made a total reduction in a few months of over 40c a gallon. The argument of counsel would seem to be that unless there be an incessant altering of the price of even a standardized commodity, like linseed oil, even after it had struck bedrock, production cost, a criminal agreement had been entered into.

The communications were entirely proper, in public interest and designed to make the reports prompt, complete, and when so made the Bureau was performing a lawful service.

5. Prompt Reports, Efforts to Secure Same.

Statistics of any kind, unless wanted for historical purposes, must not be of the cold storage variety. For that reason every possible effort has been made for the past two years and is now being made by the Department of Commerce, to distribute to the public quickly and promptly the data which that Department is gathering, chiefly from trade organizations. If there be a surplus of sugar those dealing in that market should know it as soon as possible, and avoid purchasing large quantities at high prices. Prices quoted to the trade by some competing sellers, and made known to other sellers, are instantly quoted by *all* the sellers to all their customers. This is especially true of reduced prices. The public gets the news quickly. The sellers will always see to that. If a price has been quoted and thus made known to the public, and later a lower price is made, that lower price should be reported immediately, so that competitors and buyers could get the advantage of a depressed market to the extent that any price might or might not tend to exert such an influence. Any price that has been quoted to

the trade is an actual fact, and it should be made known promptly and correctly, so that any other person could meet it or not as he saw fit. Likewise in order that the buyer, learning of a lower price, which he always does through the sellers, if the sellers are informed about it, might conclude that the market was falling and he might decide to wait longer before making commitments.

To endeavor to defeat enlightenment in this day and age is an absurdity. In the days of Adam Smith, a merchant could keep secret to himself a high or low price, for several months. Today, every successful concern learns of its competitors' prices in some manner, reliably or unreliably, almost instantly after the same have been submitted to the trade. The only difference in getting others' prices from buyers and in a haphazard manner, from getting them direct through this central Bureau, is in the latter case they are true facts, and based upon actual conditions rather than upon hearsay, rumor and in many instances misrepresentation, and also they reach the trade in this way much more quickly than if they were not reported to all competitors.

The defendant crushers in this case acted no differently than they would have acted had there been no Bureau, as regards the meeting of a reduced price or following an increased price, nor did they act any differently than any other business man. There are times and conditions, sometimes peculiar to the particular individual, and sometimes based upon a conception of general circumstances, when one competitor will meet a lowered price, and again he will refrain from doing so. A company well financed frequently refuses to meet a cut price, because it does not want to break the market at that particular time. A company less favorably situated, and badly in need of orders would generally adopt a policy of meeting every price that happened to be quoted, regardless of conse-

quences. But there is no law condemning one for merely obtaining information which will enable him to refrain from competing against himself. He cannot agree to refrain from competing against another. That is different. If, as this record shows without contradiction, buyers endeavor to take advantage of a seller, by representing that he, the buyer, has a lower price than he really has, and thereby induces the seller to reduce his, the seller's own price, the seller must have the right to check that information. The true facts can be obtained in no other way than by and through the other competitors. Competing against one's own lowest price is not competition. Such information for such purposes should be not only dependable, but prompt. The Bureau's efforts to obtain prompt reports cannot be condemned.

Just to the degree of promptness with which the reports were sent to the Bureau after having been made to the trade, to that extent was competition accentuated. Two salesmen are after a large order. It may be that within a few hours one learns of a lower price made by the other. Having received it through the Bureau he knows that it has in fact been made to the trade, consequently if the second salesman wants the order he probably would have to either meet or cut under the price with which he was competing. If the reports be delayed, and the order placed there would be no incentive to meet that competition at that time.

At this point it would be well to answer the question asked on page 157 of the Government's brief, namely, "Why were they required to report all cuts in prices, and not required to report sales at prices in excess of those given in the price lists?" The Government then presumes that there could be but one purpose and that was to prevent cutting. To one utterly unfamiliar with industrial conditions and methods, it is impossible to con-

ive that knowledge of such cut prices could be sought r the purpose of meeting them, and thereby retaining e's own customers, and also to avoid competing against e's own lowest price. As stated in the language of District Judge:

"A merchant cannot compete with another merchant unless he knows what he must compete against. A knowledge of what his competitor is charging is the first step in competition. It does not follow because one man knows the price which his competitor is asking, and he then fixes the same price, that his action is by agreement. * * * The defendants, however, have shown, and their evidence is uncontradicted, that the deviations before existing were caused by the individual producers endeavoring to meet prices of their competitors which had never been made; and it is common in the trade for buyers to make false representations as to the prices made by other producers. SURELY, SUCH A CONDITION IS NOT THE ONE THAT THE SHERMAN ACT AIMS TO FOSTER." (Capitals ours.) (Rec. 45 and 46.)

would seem from the statements made by counsel for Government, that every statement, every act, every ess disavowal of intention to do wrong, designed to ly with what the law really requires, is evidence of lty purpose, and is an indication of a guilty conce endeavoring to conceal crime. If increased prices been reported, the Government would have said, less, it was for the purpose of inducing others to their prices. There is no charge and no evidence he prices reported were not true and complete, upon actual sales or upon actual offers to buy and offers to sell, including the lowest. They were not ed prices. So, of course, the only point counsel have in mind is, that the mere reporting or making of the "cut price," and the meeting of that price ers (which is competition), would operate as a de- and thereby in and of itself prevent the making

of a reduced price. But the evidence shows that prices were reduced. That argument proceeds upon the ground that merchants today can make low prices and keep them secreted from their competitors. Such methods are attempted in these times only in rare instances, by small concerns doing business in a restricted area, and even then without any success.

Buyers and sellers alike do and should know what prices are prevailing in the market. In the final analysis, the contention doubtless is that when the prices were reported through the Bureau, in the process they became associated with an influence, that resulted in group opinion, and a member would be deterred from making a lower price, whereas, if he were not a member of the Bureau he would not be subjected to such an intangible and indefinable persuasion. That would mean we should have a rule of law, in favor of making prices known, which obviously could not be prohibited, but they must not be made known to and among competitors through a central Bureau, in a systematic and regular manner. Such a rule of law would be based upon fear that co-operation to the extent of competitors filing all their reports and not merely selected reports would put the competitive principle in peril, and it would attach an exaggerated estimate upon such co-operative principles.

To admit that any merchant hesitates to put out a cut price, because it might result in establishing a lower level, is only to admit an obvious truism. It militates against his getting as much for his wares as he individually feels under all the circumstances he should receive. But his reluctance to descend to lower levels is for the same reason, whether he be a member of the Bureau or not a member,—possible lessened profits. Since he must know that his prices will become known to the trade generally, there can be no objection on his part to publish

ing them through a Bureau, where they will be reported correctly and without misrepresentation, and as above stated, will reach the trade more quickly and more generally than otherwise. In other words the reluctance or the hesitation to make lower prices in any case does not result from cooperation to file reports with a Bureau.

Concerning the time the quotations were sent to the Bureau the record is clear that the prices were first quoted to the trade, with one possible exception, caused through a possible misunderstanding.

> "As to the information we gave to the Armstrong Bureau, when we would quote a price on linseed oil we would report that price to the Bureau within two or three hours after the time we had made the quotation" (Rec. 76).
>
> "When we decided to change the price, we made the quotation, notified our agents, and immediately thereafter notified the Bureau" (Rec. 110).
>
> "Never advise the Bureau what you intend to do, as the Bureau can clear information only on action that has already taken place. To make this point clear, do not send to the Bureau a statement such as 'we enclose herewith price lists which will become effective next week.' When you file information with the Bureau covering any of your quotations to your trade, such information can only be filed immediately after such action has taken place, and the form for reporting such information is, 'We hand you herewith price which we have today quoted our trade'" (Rec. 334, 5).
>
> "As you are aware the Bureau is not at liberty to accept or publish information concerning any prices that you may intend to ask, and it is therefore proper for you to wire us quotations only after they have been made" (Rec. 733).

During the trial of this case in the District Court, Mr. Mairs of the Archer-Daniels Linseed Co., received a wire from his office in St. Paul which is Plaintiff's Exhibit 17 (Rec. 675-6), in which it is stated that after November

17, 1919, prices were wired to the Bureau ten minutes before sending the quoted prices by wire to their agents. It may be doubtful whether that was really done, but even if it were done, it was only in the case of that one member on those occasions, and was directly contrary to the instructions of the Bureau, and as far as the evidence shows there is nothing to indicate that the Bureau had any knowledge of the fact that its instructions were not being literally followed in this one instance. Mr. Mairs might have reasonably believed that since the quotations were wired to his agents a few minutes later, that such was a compliance with the Bureau's instructions. The advices of the Bureau in this behalf were explicit, and oft repeated, and literally followed by all the members, except perhaps to this extent in this one case, to the effect that only those quotations which had been made in good faith to the trade, were to be reported.

> "In the final paragraph of your communication above referred to, Mr. Ankeny, it is evident that you have completely overlooked the fact that this Bureau clears only information on past transactions, and therefore it will be unlawful for you to advise the Bureau of any changes in your prices which you have not actually quoted to your trade" (Rec. 613).

Prompt reports were certainly sought for by the Bureau, and the Bureau in turn endeavored to promptly forward the information to all the crushers and consequently they reached the entire trade, not merely a few favored customers, much more quickly than would have been possible under any other circumstances. The only value of the news lay in its immediateness. If one subscriber would cut the price from $1.46 to $1.43, and the others did not know it for a week, then when the buyers became aware of it, the trade would all be gone. The subscribers must be promptly informed if they were to compete with the changed price. The requirement of prompt

reporting was necessary if the Bureau was to function as a market news agency, and enhanced rather than militated against its lawfulness.

6. ZONES.

For an accurate understanding of the zoning system as used by the Bureau, it will help to note the following points:

It is conceded that

1. *The zoning system did not fix the base price,* but merely related to the differentials (Gov. Br. p. 33).
2. Zoning system in this industry was always in use, a long established custom, and recommendations of Bureau simply defined that usage, and resulted from desire and demand of trade for quotations f. o. b. point of delivery, or freight allowed; for convenience of customers, and avoidance of figuring separately on each transaction amount of freight (Rec. 70, 71, 96, 117, 119).
3. Base price determined by flaxseed market, and the base price was the price at the manufacturing point nearest to the actual supply of flaxseed, and hence the cheapest price. If the greater supply came from the northwest, Minneapolis was taken as the base, if from Argentina, New York was the base (Rec. 78, 79, 82, 96, 99, 109).
4. Zone differentials in no respect affected prices quoted trade, related solely to freight which was allowed, and made no difference in method of quoting (Rec. 78, 107, 125, 151).
5. Zoning principle for establishing freight rates approved and followed by Interstate Commerce Commission, and differentials recommended by this Bureau coincide with the differentials for freight given Bureau by Lent Traffic Bureau (Rec. 131 and 141).
6. BUYERS ALWAYS HAD OPTION TO BUY F. O. B. SHIPPING OR DELIVERY POINT. BUYERS COULD ALWAYS OBTAIN QUOTATIONS WITH OR WITHOUT FREIGHT ALLOWED (Rec. 79, 109, 117, 151).

Laws should be framed and interpreted so as to fac
tate rather than impede the transaction of business. A
system that will simplify the application of complicat
freight schedules to the sale of commodities, without pu
lic detriment, should be encouraged. Freight tariffs a
so voluminous, intricate and complicated that only a f
of the specially trained can master them. Hundreds
experts thrive upon their ability to ferret out errors
overcharges, made either by the employes of the railroa
or the traffic managers of large industries. Furthermo
there are commerce experts who, working on a continge
basis, come along after the trained experts of the traf
departments of the railroads and the large industri
have completed their work, and discover mistakes whi
lead to the recovering of large sums. Since that is tru
how can the average purchaser be expected to know an
thing about what freight he should pay?

When applied to a standardized commodity, like li
seed oil, a zoning system enables a buyer to instantl
segregate the amount of the freight from the quoted pri
of oil, and at once compare prices received from diffe
ent sellers. His prices are readily comparable. Lik
wise it makes for the convenience of the sellers in tha
they can the more readily compare the prices of thei
various competitors, which is one of the reasons assigne
for the adoption of the zoning system by the Bureau
It tends to eliminate any opportunity for the indulgenc
of unfair methods, either as among competitors, or over
reaching of the buyer, through the juggling of freigh
rates. It positively tends to put the buyers upon a mor
perfect ground of equality among themselves in compe
ing for their own trade, because buyers are grouped int
larger areas, all of whom receive the same rates, and
thereby gives no undue advantage to any particular in
dividual who might happen to be situated at a more ad

vantageous point. It distributes and brings about more perfect competition,—freer competition, by tending to eliminate one factor which militates against free competition, namely advantage solely because of location and the construction of a particular railroad.

On page thirty-three of the Government's brief appears the following:

> "The adoption of this zoning system was, in itself, an unlawful agreement in restraint of trade, because, *while it did not fix the base price to be charged by each of the manufacturers, yet it did obligate them to observe these fixed differentials, and prevented them from meeting special competition that might exist in other zones.*"

That is not at all clear. Concededly the base price was the cheapest because it was the price quoted by the manufacturer located at or nearest to the point of supply of flaxseed, and furthermore was the price quoted by the manufacturer who had progressed farthest in productive efficiency. The freight differential was a mere incident, and had nothing whatever to do with the ultimate price of oil to the consumer. The freight, whatever the amount, was paid by the crusher. If oil at a given point was 80 cents a gallon and the freight one cent per gallon, the quoted price would be 81 cents, but there is no such connection between the two as would prevent the seller from making a price of 75 cents per gallon, or in other words prevent the seller from meeting special competition that might exist in any other zone. It is purely an incidental regulation, based upon long established custom, and traffic differentials, paid by the manufacturer, and does not add to or subtract from the profits of the seller, and consequently does not prejudice the buyer. It does not restrain trade, it crystalizes competition, and has no connection with the methods of determining the price to be quoted. If the system did not fix, as con-

ceded, the base price, obviously it did not fix the price in any zone or place away from the base point. The crushers followed the freight differentials because they believed them to be the rates published by the railroads in the tariff schedules and as they were advised by the Lent Traffic Bureau. It is not disputed in the record that the freight differentials did check precisely with those published tariffs. Since that be true, there was no arbitrary element or factor in those freight differentials, and they are the amounts the crushers were compelled to pay the railroads for freight in every instance when oil was sold with freight allowed.

Since the freight added to the base price in the respective zones was allowed to the purchaser and paid by the crusher, it becomes immaterial whether the differentials as prescribed in the zoning system coincided to the fraction of a cent in each instance with the actual freight to every place. The freight designated and allowed and paid by the crushers was the amount for which the purchaser received credit. The freight schedules are not perfect, and concededly there are many inconsistent and discriminatory rates in the published tariffs. But they are as nearly perfect as it is possible for the railroads and the Interstate Commerce Commission to make them. The adding of the freight differentials for the respective zones in no wise prevented each crusher from meeting special competition whenever and wherever it might arise, and the record clearly shows that this was done.

All zoning systems approved by the Interstate Commerce Commission necessarily have points where the rates must change, so that one located just on the other side of the point where the change takes place, pays a higher rate than the person situated a short distance nearer the base point.

It is undisputed in the record that the buyers at all times had the option of buying f. o. b. point of delivery or shipment. If the buyers wanted to take title to the goods at the point of shipment and pay the freight to the point of delivery, they always had the privilege of doing so. As a matter of fact the crushers, under all the testimony, would have preferred to have done business that way, so as to have been relieved of the risks of leakage and damage in transit. The zoning system was better for the buyers in every way.

> "If the freight was higher to a certain point, or if a man wished to pay f. o. b. we would be very glad to sell him f. o. b., no matter what zone he lived in. The differentials adopted were based as near as possible on the freights" (Rec. 78).
>
> "A purchaser can always buy from us f. o. b. his place or f. o. b. our mill" (Rec. 117).

Concerning this zoning system, the trial court succinctly summarized his deductions from the evidence in the following manner:

> "Complaint is made against what is called the 'zone system' and differentials applying thereto. It is true the prices quoted had reference to certain well defined territory, and the prices were accompanied by differentials to equalize the cost of railroad transportation. The record shows that these differentials were adopted after a thorough investigation of freight rates from the base to the point of delivery, and the addition to the base price in the different zones, was arrived at after a fair averaging of those freight rates into the designated territory.
>
> "Zoning for the purpose of fixing freight rates is not new. The Interstate Commerce Commission permits it in regulating the charges to be made by the railroads. It is not a perfect system, and there is always a certain amount of discrimination to those who live on or near the dividing line between zones, and I have no doubt a few buyers of oil may have been to some extent penalized, BUT EVERY BUYER HAD THE OPTION OF PURCHASING F. O. B. POINT OF MANUFAC-

TURE OR F. O. B. POINT OF DELIVERY, AND I MUST ASSUME THAT THE BUYER WOULD CHOOSE THAT F. O. B. POINT WHICH SEEMED THE MOST TO HIS ADVANTAGE. (Caps ours.)

"The charge of the Government that the zone differentials were adopted in order that the price charged for oil would be artificially enhanced and the defendant crushers consequently enriched, is not borne out by the evidence. There was no zone in which all the crushers did business, and the bulk of the finished product sold by the defendants was for delivery in zones carrying minimum freight differentials" (Rec. 46, 47.)

7. Zone System as Applied to Less Than Car Load Lots.

As fully explained on pages of the record 402-4, quotations were made and freight allowed to point of delivery on orders for car loads or more. (Unless the buyer preferred quotations f. o. b. point of shipment.) In less than carload lots they customarily quoted f. o. b. point where warehouse stock was carried and from which point the shipment was made. It merely related to the method of making the quotations, and the fact that the customer paid the freight from the warehouse to point of delivery did not affect the price in an artificial way.

8. Efforts to Obtain New Members and Retain Present Members.

There is no question but that the members wanted as complete representation as possible. The purpose and intent of the Bureau was to co-operate in order to get full and complete industrial facts, in a dependable manner, and submit the same to the intelligent, independent action of each member. The independent judgment, in one instance, would dictate one course to be followed in the

light of such facts, and an opposite course in another instance. In each case the action taken would be on account of actual economic factors and conditions.

Whatever influence flowed from the reports was the result of and warranted by economic facts, always interpreted differently by different people. Therefore, in order to avoid effects that might possibly be condemned by the law, it is of the utmost importance to obtain complete facts. Partial data could very easily lead one to adopt a course of action that would not be warranted by industrial conditions. This is true as applied to both production statistics and price data. Reports might show that a few plants, on account of shortage of orders, had reduced their output, whereas if full reports had been obtained it would appear that there was no general shortage, and no occasion for curtailing output. Likewise concerning prices, a few prices would not reflect the general market conditions, either up or down, whereas, all prices made by most of those in the industry, in a large territory, over a considerable period of time would enable both buyer and seller to properly and correctly understand, and know what they should do.

The Department of Commerce is continually confronted with the problem of getting sufficiently adequate data to make the statistics which that Department publishes of some real value. It has been demonstrated that that Department cannot obtain enough statistics from individuals direct to be worth while, and that the recruiting of statistical data must come through the cooperation of many. It is also a fact that there can be no method to compel any person to forward statistics to a Department of the Government, or any other agency, it must be purely voluntary. Consequently unless a sufficient number voluntarily contribute similar statistics,

the work would be a failure, the expense upon the few would be burdensome, and the members would not participate.

9. Terms of Sale. Trade Acceptances.

Criticism is made that the Bureau or its subscribers made efforts to secure uniformity as to terms of sale, and it was recommended that terms of sale should be 1 per cent discount for cash settlement in ten days, or thirty days net trade acceptance from date of shipment.

Now the fact is that practicaly uniform terms of sale are to be found in every trade and industry, established either by custom or agreement.

A very elaborate study of the subject has been made by Mr. W. H. Steiner, of the Division of Analysis and Research, of the Federal Reserve Board. The results of his investigations are set forth in eight elaborate articles, published in the Federal Reserve Bulletin, beginning December, 1919, the last being published in the issue for November, 1920. The following are a few quotations:

> "Fresh meats are usually sold on a weekly basis, collection for all deliveries during a given week being made in certain cases by a specified day on the following week."
>
> "Cured meats however are sold to considerable extent on 30 day terms."
>
> "Coffees are largely on a net 90 day basis, discount for anticipatory payment being made at the rate of 8% per annum, making 25 the discount for cash."
>
> "Pig iron, whether steel making, such as basic and Bessemer, or foundry or forge, is sold upon terms of net 30 days from date of invoice or average date of monthly shipment."
>
> "Pig lead is sold largely on terms of net 30 days."
>
> "Mixed carloads of flour and feed are usually sold on annual draft terms, while in the case of straight carloads of feed the sight draft is employed."

"Terms of sale of refined sugar by refiners since 1911, have been largely 2% for payment within 7 days after arrival of shipment."

"Terms on condensed and evaporated milk sold by packers to wholesalers are generaly 1½%, 10 days, net 30 days from date of shipment."

"The general terms (for dry goods) are 2%, 10 days, 60 days extra, for many years recognized as the regular dry goods terms."

These are only a few of the hundreds of examples shown in this Government study.

Now, what does this mean? Simply this: that competitors in all lines of business have found it necessary for the convenience of their customers to settle upon some such common terms of sale. The terms of sale do not fix the prices, they are purely incidental, and they become established through general custom over a term of years. Suppose there were several kinds of money in use and competitors would all agree to quote in terms of one particular kind of money. It might be necessary to make comparative prices understandable. These uniform terms of sale have grown up so that men might compete understandingly. It is not only for the benefit of customers, but for the dealers as well. Otherwise it would be difficult to figure differences in prices.

Years ago, merchants built up a great body of customs which were agreed on, which were taken over into the body of English law under the name of the Law Merchant. Under it, for example, a money lender gave three days of grace. It was a part of the terms of the loan which finally by agreement became a part of all agreements for the loaning of money, which then became a part of the law.

These terms of sale as suggested through the Armstrong Bureau should be uniform throughout a business. It benefits business just the same as a uniform marine

insurance policy benefited English shipping. It is therefore not a restraint of trade or commerce.

As regards the use of trade acceptances, that matter was discussed on many occasions and the record shows that some did and others did not adopt the same.

Mr. Hurtz, witness for the Government and traffic manager for the Bradley-Vrooman Company, consumers of oil, testified:

> "I think the terms of sale are pretty generally known. They are pretty much the same. Q. All satisfactory? A. Yes, sir" (Rec. 57).

Other witnesses said:

> "The terms of sale under which the crushers have sold their products have generally been one per cent off in ten days, thirty days net. THAT HAS EXISTED EVER SINCE I CAN REMEMBER. It was recommended, while the crusher were connected with the Armstrong Bureau, to put on a trade acceptance, to sell ten days one per cent off or thirty days net trade acceptances. I should say we inaugurated the system, but if anybody objected to the signing of a trade acceptance we would not force it in any way. At the present time we are having trade acceptances attached to all our invoices. If people will sign them we like it that much better, because we can bank those trade acceptances, where we cannot if it is on an open account" (Rec. 78-9. Capitals ours.)
>
> "FOR THE LAST TWENTY YEARS, AT LEAST, THE TERMS OF SALE IN THE LINSEED OIL BUSINESS HAVE BEEN 30 DAYS AND 1% OFF FOR CASH IN TEN DAYS. THE CONDITIONS OF SALE WERE NOT ANY DIFFERENT DURING THE PERIOD OF THE OPERATION OF THE ARMSTRONG BUREAU THAN THEY WERE AT ANY OTHER TIME. There was some recommendation made with reference to trade acceptances. I never tried to impose them on any of my customers, but I did offer them the opportunity of giving trade acceptances, and I wrote them all letters in which I recommended the trade acceptance as being of benefit to them and me. They worked out very well with my trade. We are still using trade

acceptances in probably 75% of our business, which is not discounted for cash. The advantage of having trade acceptances is that I can bank them and get money." (Rec. 94-5. Capitals ours.)

"My company has used trade acceptances, and the Bureau service did not change that in any way. The phraseology of our terms is '30 days, trade acceptances net.' We have had that on our invoices since early in 1917 and perhaps before that" (Rec. 117).

Trade acceptances were advocated during and after the war by the Federal Reserve Banks, and by the Banks generally. It was thought that it would improve our financial situation if business men in selling goods would take trade acceptances or drafts drawn at a certain number of days, and should then cash the draft at the bank, the draft being later paid on its due date. It was thought that this was much better than to have the seller carry the indebtedness as an open account. It does not actually enter into the terms of sale. It does not affect competition, and the banks carried on the agitation for the use of these trade acceptances for the general improvement of business credit. Doubtless, much of the urging for the use of trade acceptances came from the Government itself. For business men to advocate their use certainly does not constitute a restraint of trade or commerce.

VIII.

IN ITS ACTIVITIES THE ARMSTRONG BUREAU AND ITS SUBSCRIBERS WERE FREE FROM ALL THE ORDINARY AND USUAL METHODS OF RESTRAINING TRADE OR COMMERCE.

1. No Restraint of Production.

There was absolutely no restraint of production, which is generally regarded as an essential ingredient of any plan to control prices. There was no suggestion that any crusher should at any time limit its production. Each

crusher was free at all times to manufacture as mu
linseed oil and oil cake as it cared to, and not only we
the subscribers free to do this, but they did do it.

> "MR. MITCHELL (COUNSEL FOR GOVERNMENT): M
> I SUGGEST, YOUR HONOR, THAT THERE IS NO CHARGE
> CURTAILMENT OF PRODUCTION" (Rec. 72).

2. NO LIMIT ON DISTRIBUTION.

Also there was no limit on distribution. There w
never any suggestion of a division of territory or a li
iting of operations in any particular territory. The mi
were scattered but all were actively contesting for t
business in the various parts of the country.

3. NO BLACKLISTING OF CUSTOMERS.

There was no conduct on the part of the Bureau or
its subscribers looking towards the blacklisting of a
customers. It seemed to be the desire of all to give op
terms and prices to the trade, and to treat all on an equ
basis, without favoritism, and without partiality.

4. NO ATTACKS ON BUSINESS RIVALS OR ATTEMPTS
COERCION.

Neither the Bureau nor its subscribers started a
trade wars, nor any attacks on rivals for the pu
pose of injuring a competitor, whether connected wi
the Bureau or not. There was no form of coercion us
to induce outsiders to become subscribers to the Bure
There were no raids made upon the business of those ou
side the Bureau, nor was the Bureau used as an instr
ment to injure those who were not subscribers.

5. No Agreement as to Prices.

There is nothing in this record to show that at any meeting, or at any place else, any agreement or understanding as to price was ever hinted at or suggested.

The various defendants went on the witness stand and all testified freely and frankly and there was no testimony from which any hidden agreement could even be suspected.

These are negatives of course. But if these defendants had intended to limit trade and commerce, they as practical men, could not have avoided some of those direct methods which in one form or another have appeared in most of the trust cases in this country.

IX.

THE ACTIVITIES OF THE ARMSTRONG BUREAU DID NOT RESULT IN A RESTRAINT OF TRADE OR COMMERCE BUT RATHER ACTIVELY PROMOTED AND DEVELOPED TRADE AND COMMERCE IN THE LINSEED OIL INDUSTRY.

1. A Tendency Toward Uniformity Proved Competition, and Not Lack of Competition.

We now come to the crux of the whole question, the point on which the whole case of the Government is predicated. The case of the Government in our opinion is based on an assumption of economic theory which has no support among economists, and which is contrary to business experience, and not sustained by law.

Counsel for the Government state:

> "The requirements with reference to statistics constitute the basis upon which the system rests" (Gov. Brief, page 156).

In other words, lack of competition directly results from the exchange of statistics and particularly on account of the immediate reports of price changes,

The theory is that at the very beginning by exchange of prices through the Bureau, fluctuations in the price of linseed oil were reduced, and the prices of all the subscribers soon became practically uniform, and that this uniformity showed a lack of competition. In the court below in their argument, counsel for the Government devoted much attention to the lack of a "spread" between the prices of the various subscribers at a given time. In their brief in this court, they endeavor to point out instances of uniformity, but avoid making the direct argument made in the court below that this uniformity spells "agreement."

It certainly does not spell any such thing, and to assume that it does is begging the question. It must be remembered that we have in effect a country wide market for linseed oil. These various crushers were competing for the sale of oil in a practically country wide market. Here was a large body of sellers seeking the same buyers. Now in such a situation, what result is brought about by an exchange of information as to prices? The great English economist, William Stanley Jevons, in his work, The Theory of Political Economy, page 84, states:

> "It is of the very essence of trade to have wide and constant information. A market then, is theoretically perfect only when all traders have perfect knowledge of the conditions of supply and demand, and the consequent ratio of exchange; and in such a market, as we shall now see, *there can only be* one ratio of exchange of uniform commodity at any moment.'

Also, at page 90:

> "In the same market, at any one moment, there can not be two prices for the same kind of an arti-

cle. Such differences as may practically occur arise from extraneous circumstances, such as the defective credit of the purchasers, their imperfect knowledge of the market and so on."

The same view is set forth by Prof. F. W. Taussig, Professor of Economics in Harvard University, in his "Principles of Economics," page 149:

"And, in any market where dealings are habitually conducted on a considerable scale, there will be an equilibrium price, which, though not rigid, is maintained between comparatively narrow limits, and that price will represent the judgment then currently held of the probable seasonal price."

The principle is set forth by Prof. Fred M. Taylor of the University of Michigan, in his " Principles of Economics," already cited, at page 280 under the heading

"The Law of Single Price.

Within the limits of a truly single and theoretically perfect market, no commodity can have more than one price at the same time; and even within the limits of imperfect markets or groups of connecting markets, any commodity must tend to have a single price,—allowance being made in the latter case for the expense of shifting from one to another of the connecting markets."

Also Prof. Fred E. Clark, of North Western University, in his "Principles of Marketing," already quoted, at page 427, makes the statement:

"It should not be concluded however that the existence of common prices in all stores selling a particular commodity is the result of an understanding between the stores. *A condition of free, untrammelled competition with large knowledge of the market also causes uniform prices to emerge.*

It is very common, for example, for housewives, to go from store to store, comparing prices and 'shoppers,' sent out from stores are constantly visiting competing stores to compare the price and quality of merchandise."

And further:

> "Many stores determine their prices from the prices which competitors are charging. A single store often takes the initiative and others follow, marking their prices at, above, or below the competing price, according to their general policy."

And, on page 429:

> "Each vendor watches his competitors."

Now, in so far as all the manufacturers of linseed oil were informed as to the prices asked by their competitors, which, as above explained, are thereby the more quickly quoted to ALL the trade, to that extent did the principle of competition operate. In so far as the information was distributed by the Armstrong Bureau, then to that extent competition was increased.

The tendency, if any, toward uniformity of price of linseed oil proved that there was competition between the crushers, since there was no agreement among them as to a specific price. That there was no agreement among them as to a specific price is shown by the great changes in price. For example, on October 1, 1918, nine subscribers quoted spot sales at $1.79, one subscriber at $1.81, one subscriber at $1.85, and one at $1.89. Now, it is submitted that if these facts were known throughout the market, the subscribers who quoted the higher prices were not competing. They were out of the market. Take for example, November 9, 1918, as recited in the brief of the Government, page 125:

> "On that date, nine members were quoting at $1.58, two at $1.61 and one at $1.49. There were no changes in these quotations until November 25 when one member reduced from $1.58 to $1.53. *On the following day nine members reduced to* $1.53."

Counsel for the Government italicized the statement—because to them this decrease in price by nine subscrib

ers to $1.53, meant that the subscribers had got together and agreed on the lower price. The assumption is childlike and naive. What happened was that the nine subscribers found that if they were to sell oil they would have to meet the price of $1.53, made by one of the subscribers.

Further, quoting from the Government Brief, page 125:

> "On the 27th of November, one member reduced from $1.61 to $1.56, and on the 29th, this member further reduced to $1.53, on which date eleven members were quoting at $1.53, and one, Sherwin-Williams Co. at $1.49. These quotations were continued without any change throughout the month of December, and until January 14, 1919, when two members reduced their quotations from $1.53 to $1.48 (Rec. 185). On the following day, January 15, these same two members reduced from $1.48 to $1.43, and eight members reduced from $1.53 to $1.43, six of them quoting a reduction to $1.48, during a part of the day, but closing their quotations at $1.43.
>
> "On January 16th, another member reduced from $1.48 to $1.43. Thus in three days all the eleven members that were previously quoting at $1.53 had reduced to $1.43, still leaving one, the Sherwin-Williams Co., quoting at $1.49."

Now, what do these operations mean? An agreement? Not at all. These manufacturers were being forced by competition to lower their prices to meet the price of the lowest. Whatever approximate uniformity existed at different periods was brought about by the competition, as the Government Brief shows, and the District Judge found.

The Counsel for the Government go on to state:

> "These identical quotations continued through the remainder of January and until February 17, when the Sherwin-Williams Company reduced to $1.43."

Evidently the Sherwin-Williams Co. was forced down by the lower price of the others, that is by competition.

The Brief further states:

> "This uniformity continued until March 5, when five members increased their quotations from $1.43 to $1.48, and on the following day, the remaining seven members then quoting, increased their quotations to $1.48,"

so on through a series of rises to $2.20, then through a series of declines with drops of as much as 26 cents, and with periods of uniformity.

Finally counsel state, page 128:

> "Thus, on the day the original bill in this case was filed, one was quoting at $1.58, one at $1.60, one at $1.62, one at $1.66, one at $1.68, and five at $1.69."

This rise and fall of price with breaks by individuals followed by others either up or down is as good an example as can ever be found of an untrammelled market with free competition. Of course periods of uniformity result when the prices reach certain levels. But linseed oil is a manufactured commodity. It is crushed from flaxseed which is bought up in advance for manufacture at a fixed price, with definite costs for manufacture and it would not necessarily rise and fall every day like wheat or corn or flaxseed itself. It was a staple and standard commodity and the price was less changeable when a price level was reached.

When the plan was attacked by the Government, it naturally ceased to function very well, and nearly every subscriber had a different price on the day the bill in this case was filed. On that day, the lowest price was $1.58, and the highest was $1.69, a variation of 11 cents.

Counsel for the Government, from this fact, would infer that the subscribers were again competing. Such

a spread of prices shows lack of competition and that is the situation which results when men are compelled to trade in ignorance. It is as ludicrous as two blind men trying to fight a duel. Yet it is to this condition that counsel for the Government desire to bring all business concerns of the country.

Beginning at page 128, counsel for the Government discusses quotations of the subscribers for future delivery, on page 129, they say:

> "As to quotations for November delivery, 1918:
> "As the association began to function on the 1st day of October, no quotations are given previous to that date. All quotations submitted for the first seven days of October were $1.71. On the 8th, six of the nine members reporting changed to $1.66, two remained at $1.71, and one changed to $1.76."

It is evident that competition was not very strong.

> "But on the 26th, nine of the twelve members reporting were quoting at $1.55, one at $1.56, one at $1.63, and one at $1.76."

Those at the higher levels were out of the market.

> "By the 30th, the nine that were quoting on the 26th at $1.55 had changed to $1.51, while the other three had retained their former quotations."

The nine who were reducing their quotations from $1.55 to $1.51, were certainly competing.

Further, counsel for the Government state:

> "On November 1st eight out of twelve members were quoting at $1.51, one at $1.49, one at $1.53, one at $1.56 and one at $1.73. By the 8th, eight of the members had changed to $1.58, one was still quoting at $1.49, two at $1.53 and one at $1.73.
> "These quotations continued until the 25th, when another member changed from $1.53 to $1.58; and on the 26th, ten out of twelve were quoting at $1.53, leaving one still quoting at $1.49, and one at $1.73. This continued to the end of the month."

The fact that the market was imperfect is shown by the wide variation in price at a given time. A spread of from $1.49 to $1.73, as existed at the close showed clearly that somebody was out of the market or else that price was no object to the buyers. It is apparent that the ten who were asking $1.53 at the close of the month were after the business, although the demand was such that they did not feel forced to the price of $1.49, which one of the subscribers was asking.

Further, counsel state as to quotations for January delivered 1919:

> "On November 26th, all quotations for this month were at $1.53, *and they remained uniform at these figures throughout the entire month of December.*
>
> "By this time, the system had begun to properly function."

That is exactly right, the system had begun to function. Instead of each seeking for business at a higher price, his knowledge of the situation together with his desire for business forced him to a lower price. It is an example of the working of the law called by Prof. Taylor of Michigan, the "Law of Single Price."

But counsel for the Government state further, in their brief, at page 130, as to quotations for February delivery, 1919:

> "Quotations for this month were uniform at $1.53 from November 26, throughout December, and until January 14. On that day, two members changed to $1.48. On the 15th, ten members dropped to $1.43, five reducing first to $1.48 and at a later hour to $1.43. On the following day, January 16, all were quoting at $1.43, and the quotations continued uniform to the end of the month."

What of it? Because a price reaches a level proves nothing, and obviously there was a level below which they would not go. That they finally reached the level of the

lowest in price proves that they were all competing. Otherwise some of the subscribers would have held to higher prices.

The other cases cited by counsel for the Government, are of the same character, through an advancing, and then through a falling market. Finally, counsel state (page 135 of the Government Brief):

> "The tendency downward which had begun about March 11, was continued, and on May 1, nine members were quoting at $1.72, one at $1.70, and one at $1.79. Still further reductions followed until the 29th, the date of the last quotation, when eight were quoting at $1.72, one at $1.60, one at $1.62, and one at $1.65."

In his book, "Some Problems in Market Distribution," Arch Wilkinson Shaw, at page 51, makes the following statement:

> "The producer who today enters the market to manufacture and sell a commodity *in competition* with other producers of substantially identical products has open to him three general price policies. He may adopt one of these to the exclusion of the others, or may use them in combination.
>
> "These three policies may be termed (1) selling at the market minus, (2) selling at the market, and (3) selling at the market plus.
>
> "(1) *Selling at the market minus,* is that policy which aims to increase sales by reducing price.
>
> * * * * * *
>
> "(2) *Selling at the market,* has been the policy perhaps most characteristic of our scheme of distribution during the period when the stress was on production. It is still a common policy in the marketing of staple goods.
>
> "This policy consists briefly in the acceptance of the market price existing for the commodity as a fixed condition. * * * He, (the producer), recognizes the market price for such a commodity as something objective, and sells his commodity at the established level.
>
> * * * * * *

"(3) *Selling at the market plus,* is perhaps the most characteristic price policy of modern distribution.

* * * * * *

"They (exceptionably able distributors) isolate their product, and establish it, practically as a new commodity, on a different price level."

It is evident that the subscribers were at all times free to fix their own prices according to their own interpretation of market news, according as they judged their own best interest. It is further evident that they were all competing.

2. Stabilization and Constructive Competition.

"The only way to stabilize markets is to stabilize price, and the only way to stabilize price is to make known instantly all the essential facts about supply and demand."

C. S. Duncan, Ph.D., *supra,* 14.

It is a serious charge and arraignment certain officials have brought against the doctrines of stabilization of industry. When fully and properly understood it merits more serious consideration than ridicule and sarcasm.

An effort or tendency to stabilize business through cooperation of competitors in the matter of collection and dissemination of market news, with a view of bringing about more intelligent individual forecasting, and less guess work, in no wise conflicts with the purpose of the anti-trust laws. The severe aspects of the most recent industrial crisis in 1920 and 1921, illustrate the necessity for some remedy to make these periods of business depression less frequent and less disastrous. The rapid expansion following the armistice was accompanied with all those elements that result in an industrial crisis. The

economic waste and human distress which followed are still fresh in the minds of all. Anxiety, poverty, privation go hand and hand with business depressions, caused by lack of equilibrium in industry. No other economic loss can compare with the losses resulting from business extremes. The waste is incalculable and the human suffering enormous. These extremes cannot be eliminated entirely, they are a part and parcel of our system, but it would be a sad commentary upon our laws and industrial system if we cannot at least mitigate their ruinous effects. It would be foolhardy to try to prevent cycles entirely, but it would be worse than foolhardy to shrink from the plain duty of stabilizing business much more than has been done up to the present time. The stabilization of business is the pressing problem of today, and its importance cannot be exaggerated.

The infinite interrelations of modern business demand more enlightenment through adequate statistics, which lead to accurate forecasting by each individual. The dissemination of information is even more necessary in boom times, than during depressed periods. Stabilizing prosperity is essential in order to prevent depression which always follows an excessive rise. That is why the report of the President's Unemployment Committee's report above referred to, is both sound and timely. During the war plant, capacity was enlarged greatly in excess of domestic demands. Production can quickly overtake increased demand. Secretary Hoover, chairman of that committee, says that his committee's report contains neither novelties nor panaceas, but aims to spread the facts about approaching dangers, on the theory that "forewarned is forearmed." THE FIRST CURE FOR OVERPRODUCTION DURING A PERIOD OF PROSPERITY WOULD BE TO MAKE KNOWN TO ALL PRODUCERS JUST HOW MUCH OF EACH COMMODITY HAS BEEN AND IS BEING PRODUCED.

Mr. W. C. Mitchell, in the March, 1920, American Economic Review, made the following comment regarding wide fluctuations in price levels.

> "The United States has maintained the gold standard without serious limitation and has reorganized its banking system on approved lines. Nevertheless we have had price fluctuations almost as violent as those of the greenback period. These fluctuations have caused unmerited suffering to millions of families and have heaped unearned riches upon thousands. They have caused wasteful struggles, encouraged extravagance among some, and created the class of 'new poor.' They have promoted speculation and reduced the efficiency of management and labor. We are poorer in goods, more quarrelsome in spirit, less ready to work because of these fluctuations. All this has happened and is irretrievable. But within a few years fresh changes may happen just as evil in their consequences. This wretched record and this wretched prospect are a grave indictment of our present form of economic organization."

For the protection of conservative property interests and for the proper conservation of life and welfare of labor, it is of the utmost importance that a greater stabilization of prices be attained. It cannot be done unless we can cooperate to the extent of gathering and distributing industrial facts. If remarks like these were made in the Linseed Oil Council, some officials would say that they were made for the purpose of curtailing production and enhancing prices. Yet they in substance are made by government officials and bank reports. Economic works are full of them, and the Bureau's bulletins were of similar purport.

Much of the evidence in this record relates solely to incidental matters of trade practices which redound more to the advantage of the buyers than the sellers, because they make for uniformity regarding customs that have nothing to do with restriction of competition. There must

be some intelligent direction to business. That can only be accomplished through further and still further enlightenment. The belief that production and prices are manipulated by arbitrary factors and devices, ignores simple economic truths. If prices fall below the lower limits of the marginal costs of supply, they cause losses to the marginal producers and drive them out of business. If prices rise above the upper limits set by the marginal group of buyers, the marginal buyers cannot afford to buy, and producers cannot dispose of their goods. That is what happened in 1920, a buyers' strike. Marginal cost of supply determines the minimum below which prices cannot drop for any length of time; marginal demand determines the peak or maximum above which prices cannot rise.

It is impossible to mitigate the rigors of extreme cycles in business unless the risks, uncertainties and misinformed speculation be to a certain extent reduced. A great part of the production in this linseed industry, as in most industries which involve long time processes from the raw material to the finished product, is undertaken many months in advance of the time when the finished product can be placed upon the market. And a great part of the oil is sold for delivery months later. Plans must be laid, production regulated, and orders placed according to the conditions which the producers and buyers expect to encounter at a much later date. If they err in judgment they are placed at a great disadvantage. The readjustment caused by a crisis is always disastrous. The purpose of the statistics is to enable the individuals to be more accurate and stable in their anticipations. Without such guides for the individual, anticipatory production will result in overproduction.

As stated above, there is no claim of curtailment of production in this case, and the Government has so ex-

pressly stated. An approximation toward a normal balance of supply to demand might result from the exercise of intelligent opinions of separate business men in any line of industry, who have access to a common stock of reliable facts. Their opinions will and do vary upon the same state of facts, but in the aggregate and in the end they will not be so widely divergent as to bring on a crisis. But there would be no possibility of their consciously creating an actual shortage for the purpose of elevating the prices. Business stability thus arrived at through enlightenment and individual action, has in it no element of monopolistic action or collusion among the various independent competing concerns. Such methods are very different from those which inevitably and consciously tend toward restraint of trade.

3. Agreement to Report.

It is argued that the agreement to report prices to the Bureau was in effect an agreement to maintain prices.

The idea is this: a subscriber reports to the Bureau that his price to the trade is $1.41 in carload lots. He then, in effect agrees that he will maintain the price of $1.41 until he notifies the Bureau, so that the other subscribers are able to rely on his maintaining that price until the Bureau is notified. But that is not his agreement. His agreement is that as soon as he quotes a different price to the trade he will notify the Bureau. The subscriber agreed "to immediately, and when and as hereafter issued, deposit with the 'bureau,' all published price lists of the undersigned covering raw and boiled linseed oil, cake and meal;

Also to report to the 'bureau' by prepaid telegraph, and further confirm by mail, duplicate all quotations made at variance with above price lists, giving better

terms to the contemplated purchaser than those quoted" (Rec. 175, 176).

When a subscriber had made a new quotation to a prospective customer, then he was to report that fact to the Bureau. First the subscriber made a new quotation to the trade, or to a prospective customer, then he made a report of that fact to the Bureau. There was nothing to prevent the whole contract with a customer being closed at the new price before the report went to the Bureau.

But the counsel for the Government overlook the fundamental proposition that these reports were made to the Bureau for the purpose of giving as full and complete market news as possible. It then furnished to the subscriber something which otherwise he would have to obtain for himself. Consider for a moment these questions. If no one of the subscribers knew the price of any of his competitors would there be any adequate competition? Yet, undoubtedly, under those conditions, there would be a wide variation between the prices of the crushers of linseed oil.

If none of the subscribers knew the price of any of his competitors except what prospective purchasers told him, would there be any adequate competition? Have the subscribers the right to know what their competitors are asking for linseed oil and at what prices and in what amounts and to whom and by whom linseed oil is being sold? Have they the right to know these facts as soon as the facts are facts? Can any one imagine business being carried on without such knowledge? Have men a right to devise adequate methods for securing such knowledge? If so, then why not recognize the Armstrong Bureau for what it claimed to be, a method of promptly securing to business men information which they must have and

which if no one collected for them, they must at great expense collect for themselves?

When a subscriber quoted a new price to the trade, that was a fact, a "*fait accompli.*" Then when that was reported to the Bureau, it was a thing done, as well as of a thing being done. The subscriber did not report to the Bureau "I am going to quote linseed oil at $1.46," but he stated in effect, "I have quoted linseed oil at $1.46, and I am quoting linseed oil at $1.46."

He did not agree to quote at that price for any given time, nor could any subscriber rely on his maintaining that price for even while he was relying on it the price might be changed, and the *reports to the Bureau and from the Bureau to the other subscribers were always after the fact and never before the fact.*

Without the agreement to report price changes as soon as made, the Bureau could not exist. Its information would be always unreliable, and much of the time absolutely false. If a subscriber did not have to report price changes as soon as made, he would always keep his list price above his asking price in order to deceive competitors, and avoid competition. The agreement to report price changes was not for the purpose of maintaining prices, but was for the purpose of maintaining competition. The same reason is back of the endeavors of the Bureau to promptly report price changes to the other subscribers. Only in this way, could they adequately meet the competition of changing prices.

4. Production, Importations, Exportations of Linseed Oil.

Plaintiff's Exhibit No. 9 (Rec. 258-268), and the Government's analysis of the same, leaves much to the imagination. It is inaccurate, misleading and a very errone-

ous statistical balance sheet. It does not show the actual consumption of linseed oil, during periods when the demand and consumption was the heaviest the industry had experienced in its entire history. The imports and exports are listed under "Linseed *or flaxseed.*" They are not segregated.

THE EXHIBIT DOES NOT SHOW THE PRODUCTION OF FLAXSEED IN THIS COUNTRY OR ARGENTINA, NOR DOES IT REVEAL THE PRICES OF FLAXSEED, WHICH IS THE MOST POTENT FACTOR IN THE PRICE OF LINSEED OIL.

Assuming that the amounts of imports and exports are linseed oil, and do not relate to flaxseed, and dealing only with round numbers, millions of pounds, for simplicity, the tables show substantially the following: For the year 1919. First quarter. Produced 88, Excess of imports over exports 1; total 89; less consumed 35; net stocks on hand 54. But the exhibit shows 74 million pounds of stocks on hand, a difference of 20 million pounds.

Second quarter for 1919: Produced 95; net imports 5; total 100; consumed 50; net stocks 50; exhibit shows stocks at the end of this quarter to be 54.

Third quarter for 1919: Produced 129; net imports 1; total 130; consumed 52; net stocks 78; exhibit shows net stocks 52; a discrepancy of 26 million pounds.

Fourth quarter for 1919: Produced 139; net imports total 146; consumed 51; net stocks 95; exhibit shows stocks 81; a difference of 14 million pounds.

By the same method of figuring, for the respective quarters for 1920, there are differences one way or the other of: 1st quarter, 11; 2d, 14; 3d, 9, and the 4th, 24 millions of pounds.

From the foregoing, needless to say, something is wrong, and it is not safe to deduce any deductions from an inadequate data. It is because of such incomplete

and erroneous information, unwarranted assumptions a
frequently invoked. If the actual consumption had be
reported and correct, dependable information as to t
real stocks on hand obtained, it would doubtless ha
revealed amounts from which, when divided among all t
crushers, it would have appeared at once, that each ind
vidual was confronted with a serious threatened shor
age, especially in view of the enormously increasing d
mand, the supply of flaxseed and the soaring prices o
flaxseed.

Defendant's Exhibit No. 16 (Rec. 694), shows, for th
last quarter of 1918, that the price of flaxseed range
from a low of 3.32 to a high of 3.90¾; and betwee
January 1, 1919, and June of that year from 3.23¾ t
5.87½; and during the last quarter of that same yea
from 3.97½ to 5.51; and for the first half of 1920, from
4.09 to 5.53.

Since flaxseed constitutes about seventy-five per cen
of the cost of a gallon of oil, it can readily be seen wha
such wide fluctuations in the price of flaxseed would d
to the price of oil. Every other single item in the cos
of production increased very greatly. That is common
knowledge. Regardless of the amounts imported, ex-
ported, produced and consumed, if the production costs,
replacement costs, went skyrocketing, because of the sup-
ply and demand of flaxseed or any other cause, beyond
the control of the crushers, oil must and did follow simi-
lar trends. To do otherwise would have meant that th
crushers would have been crushed themselves between th
upper and nether millstones.

The theory is that in certain quarters there was n
increase in the supply on hand, although during th
quarter the price was rising. This they argue show
price fixing. They say:

"These statistics indicate that the price of linseed oil was not determined by the law of supply and demand. *While the quantities on hand and the demand undoubtedly had an influence upon the prices,* yet they were manifestly largely controlled by forces other than that law."

Then as if to show the absurdity of their contention, they make this astonishing admission:

"*It is fair to state that this table manifestly does not show the actual consumption of oil.* In the preface to the report of the Department of Commerce of which this table is a part, it is shown that as to some fats and oils, *the entire amounts consumed do not appear because reports from many sources could not be obtained*" (Gov. Brief, p. 140).

In other words, the admission destroys the argument. For if you know the supply but do not know the demand, you cannot estimate price. Both factors must be known, and here it is admitted that consumption is unknown. But it is apparent that consumption is not the same as demand. The demand during a given quarter may be very great, not on account of consumption during that quarter, but for future consumption. For example, a manufacturer of paint may be contracting for a large supply of linseed oil, although his consumption during the period would not be large.

It all goes to show that the twelve inch measuring stick of counsel for the Government is a little too small for the proper measuring of the forces of supply and demand in a great country-wide market, or even in any market.

In other words, their statistics are entirely inadequate for any deduction whatever as to the proper price for linseed oil.

5. Chart Showing Variations in Prices of Flaxseed, Replacement Cost of Oil, and Prices of Linseed Oil.

The above chart is printed and discussed on pages 153-155 of the Government's brief. It does show clearly that the price of linseed oil is influenced by the price of flaxseed, more than any other factor. The only criticism of the chart in this respect is, that the price of linseed oil did not go still higher in August and September of 1919, after it had reached the peaks of 2.10 and 2.20 per gallon.

On page 153 of the plaintiff's brief we find the following:

> "This chart shows that the fluctuations in the prices of flaxseed were far more frequent and violent than were the fluctuations in the prices of linseed oil. In fact the prices of flaxseed varied almost daily, and from week to week the fluctuations often took a wide range."

To expect the price of a finished product, sold to wholesalers and retailers, to a very large extent for future delivery, months in advance, when the principal ingredient is made out of a commodity (flaxseed) the cost of production of which has a very low labor content, and consequently the price of which fluctuates more rapidly than that of a raw material having a high labor content, to bob up and down with the gyrating market of such a raw material, is to utterly ignore the simplest of economic truisms.

Of course the price of flaxseed would vary more rapidly and violently, than would the price of linseed oil, and the price of oil would doubtless change before the price of paint and so on. Changes in the prices of raw materials always antedate those of the finished products, just as wholesale prices go up and down long before retail

prices take similar courses. In 1917 wholesale prices stopped rising and ran along nearly level for some time, before again beginning to go up. Six months later retail prices did the same thing. In 1918 wholesale prices anticipated the armistice, and stopped rising in September and began to fall, but it was not until January that retail prices followed. When they began to go up again in the spring of 1919, the retail prices still lagged behind. The same sequence may be noted again in 1920, for the wholesale prices reached their peak and started down in May, but the retail prices did not reach their peak until July.

In line with these charges leveled at this linseed oil industry, on account of high prices, during 1920 and part of 1921, there was an almost unbroken chorus of complaint in our newspapers and our legislatures because retail prices did not fall as rapidly as wholesale prices. The cause of the lead of the one and the lag of the other, just as in the case of the prices of flaxseed and linseed oil, is to be found in economic law (business conditions) rather than in personal guilt, and it would be well for those who make such complaints to note that prices of finished products, as compared with those of raw materials, were slower and more moderate in their increases, just as they fall with greater deliberation.

The cause for this difference is manifest. Suppose a crusher were a dealer in flaxseed at wholesale, and also ran a retail and wholesale store for the sale of linseed oil. If he received a cablegram announcing an unexpected crop failure of flaxseed in Argentina, he would certainly know that the wholesale price of flaxseed would begin to move upwards within a very few minutes. He would not on that day nor the next increase the wholesale or retail price of oil, for this oil would be made from the flaxseed bought at the old, low levels. Neither would he

at once increase the wages of his employes. The same analogy could be applied to wheat, flour and the bread that is sold over the counter.

The following elementary economic principles satisfactorily explain the chart in question which seems to have led counsel into another ingenious but not sound assumption. (1) Prices of raw material move first and farthest. (2) Wholesale prices move second and farther than retail prices, which move more slowly and less violently. (3) Wage levels change more slowly than prices. (4) Manufactured articles, having a high labor content, change their price levels more slowly than do raw materials, having a low labor content. (5) Salaries change more slowly than wages. (6) Rents change more slowly than prices, wages, or salaries.

Wheat is a commodity in which the price changes from day to day. But the wholesale price of bread may not change in a year's time, sometimes much longer than that.

The principle is the same as that applied to wholesale prices and retail prices. Retail prices change much more slowly than wholesale prices, and especially so on a falling market. When either manufacturers or retail merchants are stocked up with high priced goods during a period of falling prices, they naturally cut prices reluctantly and slowly, in a desire to minimize their losses. It is universal in business, and always has been.

The record shows that linseed oil enters very largely into the manufacture of paint. If the proposition of counsel for the Government is correct, the price of paint should vary every time the price of linseed oil goes up, or down, and that should respond to every change in the price registered in the flaxseed market. Yet Merritt Arthur Richardson, president of the Inland White Lead Company, testifying for the Government, at page 65 of the record, said:

"We did not change the price of lead as frequently as the oil people did, as that makes it too unsettled for our customers. We try to make a price for paint for six months. That is why we buy oil ahead of time, and after we have gone out and bought it, we know how much our paint costs us."

William Hoch, manager of the Paint Department of Sears, Roebuck & Co., testifying for the Government, stated (Rec. 54):

"There was a great fluctuation in the price of linseed oil which I bought. My price for paint has remained substantially at $2.88, during the two years."

F. J. Hurtz, purchasing agent for Bradley & Vrooman, testifying for the Government, page 56, said:

"There is something between 85 and 90 per cent of linseed oil in a gallon of paint. * * *
"I don't think the price of linseed oil ever affects the price of our paint."

It is submitted that the claimed fact, if it is a fact, that the price of linseed oil did not change as rapidly as the price of flaxseed is without merit, and affords no basis for any inference of restraint of trade.

6. Publicity of Reports.

In its organization, in its operations, in its meetings, and in its reports, there was nothing secret about the Armstrong Bureau. It operated openly and frankly, and its information was sent out to those who paid for and made possible its operations; but in this it did not differ from other private news gathering agencies. A charge is made by all of them for their service; otherwise they could not exist. Newspapers, even those advocating communistic doctrine still make a charge to their subscribers. While the Government freely gives out its information, yet it is obtained by cer-

tain departments to a very large extent through trade organizations, through the cooperation of those engaged in the industry, and who pay the expense of the same. As far as people generally are concerned, the Government reports lack immediateness. The Government has not yet been able to put a private wire in to the homes of the citizens, so that every cotton grower can have the information for nothing, and as soon as the Cotton Exchanges.

The news which went into the Bureau with regard to prices had already gone out to the trade—that is to the buyers. So that although the Bureau did not send out the information directly to the buyers, which would be difficult to do practically because of the large number of buyers, some of the buyers had the information before the Bureau had it, and so of course before the subscribers generally. But in the nature of things this information would be sent to the buyers as quickly as possible. When any change is made in the price of oil by any crusher, it has first been made to that crusher's customers. The Bureau then sends it to all the other crushers, who most certainly would instantly get word to their customers. In that way the entire trade becomes advised. When any crusher sold below the other subscribers, it did it to get the business, and it could be depended on to see to it that that fact was as widely known as possible. On the other hand, as soon as it was known that a subscriber had raised its price from $1.60 to $1.65 for example, then beyond any question, those crushers who stayed at the lower level would speedily inform the trade that a certain subscriber had raised the price, but that they were prepared to fill orders at the lower level. Sometimes, if their judgment agreed with that of the subscriber who raised the price, they would raise too, but then all of the subscribers would promptly notify the

trade, that is the buyers. So that as a practical result, all of this market news would go out to the sellers as soon as it would to the subscribers, and the market news would be much more quickly and accurately obtained by the buying public after the Armstrong Bureau went into operation than before. The plan of the Armstrong Bureau was not in any way based on secrecy or the bottling up of information, that is it in no way sought to bring about or maintain an artificial situation.

If this market news filtered through to the buyers more slowly than it was received by the subscribers, then that fact did not bring about any different economic result in kind. The tendency toward a single price at a given time would not operate so freely. But admittedly that tendency operated more freely after the Armstrong Bureau went into operation than it did before. (In fact the Government makes this tendency toward uniformity one of its principal charges). In so far as it hastened this process the Armstrong Bureau quickened and developed trade and commerce. To say that the Armstrong Bureau restrained trade because it did not give away market news to everybody is pure nonsense. One might just as well argue that these crushers of linseed oil were restraining commerce because they failed to give away their oil instead of endeavoring to sell it at a fair profit.

X.

IN VIEW OF THE FACT THAT THE SHERMAN ANTI-TRUST ACT IS ESSENTIALLY A CRIMINAL STATUTE PROOF OF ITS VIOLATION SHOULD BE CLEAR, POSITIVE AND CONVINCING. IT SHOULD NOT BE BASED ON QUESTIONABLE OR DOUBTFUL INFERENCES.

The first two sections of the Sherman Anti-Trust Act makes certain acts crimes. The act provides punishment

for those crimes including imprisonment. The act als
provides that the commission of those crimes may b
enjoined by a proceeding in equity. But even so, th
equity proceeding is essentially a criminal proceedin
and before a court has a right to enjoin, the court mus
determine that a crime has been or is being committed.

In the case of *Northern Securities Company* v. *U. S.*
193 U. S. 197, Mr. Justice Holmes dissenting, said, a
page 401:

> "The statute of which we have to find the mean
> ing, is a criminal statute. The two sections, on whic
> the Government relies, both make certain act
> crimes. That is their immediate purpose and tha
> is what they say. It is vain to insist that this i
> not a criminal proceeding. The words cannot b
> read one way in a suit which is to end in fine and im
> prisonment, and in another way in (one) which i
> seeks an injunction. The construction which is
> adopted in this case must be adopted in one of th
> other sort. I am no friend of artificial interpreta
> tion because, the statute is of one kind rather than
> another, but all agree that before a statute is to be
> taken to punish that which always has been lawful, it
> must express its intent in clear words. So I say we
> must read the words before us as if the question were
> whether two small exporting grocers should go to
> jail."

Even though the foregoing statement is included in the dissenting opinion, it is not at variance with all decisions regarding the interpretation of the statute in this particular.

In *U. S.* v. *Swift et al.* 188 Fed. Rep. 92, at p. 96 (Criminal Prosecution), Judge Carpenter, in a careful opinion sustaining the indictments, and designed to show that prior decisions sustaining injunctive remedies were applicable to the judicial construction of the act as a criminal statute, said:

> The Sherman Act is primarily a criminal statute.
> Its title announces its purpose. * * * Here the

jurisdiction of the equity courts is made dependent upon the criminal sections. If Sections 1, 2, and 3 were repealed by Congress there would be nothing left of the law to which Sections 4 and 7 could apply. It is impossible to give effect to the equity sections without reference being had to the criminal section. It authorizes the processes of the Chancery Court to be used only to prevent the carrying out of that which is declared in the prior sections to be criminal. It follows, therefore, *that unless that which is sought to be enjoined is a violation of the act under one of the preceding sections, in other words, that unless that which is sought to be enjoined is a crime, it cannot be enjoined, because it is only that which is made a crime by the statute which is subject to the equity jurisdiction.*"

Even if the Government should not be required to prove these defendants guilty beyond a reasonable doubt because the form of action is by a bill in equity instead of indictment, nevertheless, it must be remembered that, although it is in form an equity proceeding, it is not in reality a proceeding in equity, but is a statutory proceeding to enforce a criminal act. The charges of the Government's claim are that these defendants conspired to violate, and did violate, a criminal statute. While in this proceeding these defendants are not liable to fine or imprisonment, yet, if the decree of the court be against them, they will be branded as criminals, their business injured. and the Armstrong Bureau would be destroyed. With such an issue at stake, the court, whatever its name, or form, if it is to be a court of justice, must have clear and convincing proof that the law is violated. It has no right to act upon a guess, surmise, or suspicion, and if there is any doubt, it is to be resolved in favor of those accused of the crime.

Business men, in fact every citizen, should be allowed the same presumption of freedom from guilt that is freely accorded to lowest criminals.

In the case of *U. S.* v. *U. S. Steel Corporation et al.*, 251 U. S. 417, the Government claimed that the corporation had kept prices of its products at high and uniform levels. The court, speaking through Mr. Justice McKenna, said (p. 448):

> "The opinion of an editor of a trade journal is adduced, and that of an author and teacher of economics, whose philosophical deductions had, perhaps, fortification from experience as Deputy Commissioner of Corporations, and as an employe in the Bureau of Corporations. His deduction was that when prices are constant through a definite period an artificial influence is indicated; if they vary during such period, it is a consequence of competitive conditions. It has become an aphorism that there is danger of deception in generalities, and in a case of this importance we should have something surer for judgment than speculation, something more than a deduction equivocal in itself, even though the facts it rests on or asserts, were not contradicted."

In the present case, counsel for the Government claim that prices of linseed oil were constant through definite periods and that that proved an artificial influence, that is to say a restraint. In the *Steel* case, the theory had the support of one who might be presumed to have some basis in experience and study for an opinion, but here the counsel for the Government present the same theory without the support of any one except themselves. It may be that their opinion is entitled to great weight in this field as well as in the field of public law, but if so they should appear as unbiased scholars and students of economics, and not as public prosecutors.

XI.

IF THE PLAN OF THE ARMSTRONG BUREAU IN ANY WAY INVOLVED A RESTRAINT OF TRADE, IT WAS AN INCIDENTAL RESTRAINT AND NOT DIRECT AND IMMEDIATE.

In the early case of *United States* v. *E. C. Knight Company,* 156 U. S. 1, the court, speaking through Mr. Chief Justice Fuller, laid down the rule, from which the court has never departed, that to be within the inhibition of the Anti-Trust Act a restraint of commerce must be direct. The court said (p. 17):

> "There was nothing in the proof to indicate any intention to put a restraint upon trade or commerce, and the fact, as we have seen, that trade or commerce might be indirectly affected was not enough to entitle complainants to a decree."

In *United States* v. *Joint Traffic Association,* 171 U. S. 505, at 568, the court said:

> "The effect upon interstate commerce must not be indirect or incidental only. An agreement entered into for the purpose of promoting the legitimate business of an individual or corporation, with no purpose to thereby affect or restrain interstate commerce, and which does not directly restrain such commerce, is not, as we think, covered by the act, although the agreement may indirectly and remotely affect that commerce."

In *Hopkins* v. *United States,* 171 U. S. 578, the court laid down the rule (p. 600):

> "The act of Congress must have a reasonable construction or else there would scarcely be an agreement or contract among business men that could not be said to have, indirectly or remotely, some bearing upon interstate commerce, and possibly to restrain it. We have no idea that the act covers or was intended to cover such kinds of agreements."

See also in this connection—

Anderson v. *United States,* 171 U. S. 604.

In *Addyston Pipe & Steel Co.* v. *United States,* 175 U. S. 211, the court held that an agreement between manufacturers of steel pipe not to bid against each other was unlawful, because its direct and immediate effect was to destroy competition between them and thereby raise prices, and stated (page 244):

> "That when it is seen that the agreement entered into does not directly relate to and act upon and embrace interstate commerce, and that it was executed for another and entirely different purpose, and that it was calculated to attain it, the agreement would be upheld, if its effect upon that commerce was only indirect and incidental."

In the case of *U. S. Fidelity & Guaranty Co. of Baltimore* v. *Commonwealth of Kentucky,* 231 U. S. 394, the Supreme Court held that a tax upon a corporation engaged in the business of inquiring into and reporting upon the credit and standing of persons in the state, was not unconstitutional as a burden upon interstate commerce as applied to a non-resident engaged in selecting and distributing a list of guaranteed attorneys in the United States, and having a representative in the State. The contention was that the service rendered through the representatives of the same kind, acting as agents of merchants engaged in interstate commerce, by furnishing them with information through the mails, or by telegraph or telephone, as a result of which merchandise might be transported in interstate commerce as to preclude the State of Kentucky from imposing a privilege tax upon such business. But this contention the Supreme Court denied.

The information collected and distributed by the Armstrong Bureau was no more closely connected with Inter-

state Commerce than the credit information collected by United States Fidelity & Guaranty Co. of Baltimore.

In the present case the chief purpose of the Bureau was to collect information in regard to the linseed oil business, and to disseminate this information among its subscribers. Its relationship to its subscribers was similar to that of the United States Fidelity and Guaranty Co. to its subscribers.

More than that, the information collected and disseminated was true. It was not "faked" or "edited" or in any way "manufactured." It was information which its subscribers would have to secure from some source or other if they were to continue in business. The Bureau was a permanent organization. It was not organized merely for a day or a month or a year.

If the publication of the information tended to increase prices during an early part of the period during which the Bureau operated (which we do not admit), still that was merely incidental to a peculiar "adventitious" situation. It was a period of rising prices for all commodities, and in every line of business.

But, just as truly prices fell during the latter part of the period of the Bureau's operations.

On October 1, 1918, about the time the Bureau began operations, the price of linseed oil was from $1.79 to $1.89 per gallon for prompt delivery. After a time the price fell as low as $1.43, then the price (like that of all other commodities) rose until it reached a general price of $2.20; then the price fell; on June 28, 1920, it was selling from $1.58 to $1.69 (Rec. 184-189).

No one can contend that the publication of market news will always tend to bring about higher prices, because every one knows that such information may and just as often does have an exactly opposite effect. Mar-

ket news of the offering of commodities at lower prices tends to bring about lower prices, and everyone knows it. When men want to depress the prices of stocks, for example, they begin to offer them for sale in large quantities and at lower prices.

Unless higher prices necessarily and always result from the operation of a news gathering and news distributing agency, such as the Armstrong Bureau, then if higher prices result at some particular time, such a result is incidental and not necessary and direct because, as in this case just as often lower prices will result. As this court said in *U. S.* v. *U. S. Steel Co.*, 251 U. S. 417, 442:

> "THE CONTENTIONS OF THE CASE, THEREFORE, MUST BE JUDGED BY THE REQUIREMENTS OF THE LAW, NOT BY ACCIDENTAL OR ADVENTITIOUS CIRCUMSTANCES." (Caps ours.)

The great commercial exchanges of the country have all formulated elaborated rules for their members as to their trading. They establish certain standards of commission rates. Their rules forbid members trading with expelled or suspended members. They limit the hours of public trading. The rules often forbid public trading in the stocks or commodities sold on the exchange at any place other than the exchange itself and within the hours specifically provided. Even at the present time the Secretary of Agriculture is engaged in adjusting the rates of commission to be charged upon the various live stock exchanges of the country. That the Secretary does this by virtue of a statute is not material. The statute in effect recognizes the necessities of the situation. In the case of *Anderson* v. *United States*, 171 U. S. 604, this court held that a rule of a livestock exchange that its members should not recognize any yard trader who was not also a member of the exchange was not invalid as a restraint of trade. It has also been held by this court that restrictions

on sending prepaid telegrams or telephone messages, made by a by-law of a live stock exchange are not void under the Sherman Anti-Trust Act as in restraint of interstate commerce, where these regulations are merely for the regulation of the business of the members.

Hopkins v. *U. S.*, 171 U. S. 578.

In *State* v. *Duluth Board of Trade*, 107 Minn. 506; 121 N. W. 395, it was held that a rule of a board of trade which provides that all members of the board shall charge a uniform and determined rate of commission for selling grain for non-members, and imposes penalties for the violation of such rule did not violate the Minnesota Anti-Trust Statute as being in restraint of trade or a limitation on competition. The validity of such rules was upheld by this court in *Board of Trade of the City of Chicago* v. *United States*, 246 U. S. 231.

In this case it was held that a rule of the Board of Trade prohibiting members from purchasing or offering to purchase during the period between the close of "the call" and the opening of the session on the next business day, any wheat, corn, oats or rye "to arrive" at a price other than the closing bid at the call, did not constitute an unlawful restraint of trade or commerce, and that it merely regulated and thereby tended to promote commerce. As Mr. Justice Brandeis said in that case:

> "Every board of trade and nearly every trade organization imposes some restraint upon the conduct of business by its members."

In other words, the propriety and legality of such rules and regulations reasonably made is upheld.

In the case of *Swift & Co. et al.* v. *United States*, 196 U. S. 375, Swift & Co. and other packing concerns were charged with having entered into an illegal combination in an attempt to monopolize commerce in fresh meats.

charging them, among a great many other things, with having combined to make uniform charges for cartage for the delivery of meats sold to dealers and consumers in the markets throughout the states, etc., shipped to them by the defendants through the defendants' agents at the markets, when no charges would have been made but for the combination.

The defendants were enjoined from proceeding with the combination and forbidden to do a great many things, some of which were admittedly lawful when disassociated from the unlawful purpose of monopoly. The decree of the lower court after enjoining various acts calculated to carry the purpose of monopoly and restraint of trade into effect contained the following:

> "But nothing herein shall be construed to prohibit the said defendants from agreeing upon charges for cartage and delivery, and other *incidentals* connected with local sales, where such charges are not calculated to have any effect upon competition in the sales and delivery of meats; nor from establishing and maintaining rules for the giving of credit to dealers where such rules in good faith are calculated solely to protect the defendants against dishonest or irresponsible dealers, *nor from curtailing the quantity of meats shipped to a given market where the* purpose of such arrangement in good faith is to prevent the over-accumulation of meats as perishable articles in such markets." (Italics ours.)

There was a slight modification of the decree by this court but the section cited was not changed.

Now, if the packing concerns whom the court found were endeavoring to create a monopoly and restrain trade could lawfully agree upon uniform charges for cartage and delivery and other incidents connected with local sales and could establish uniform rules for the giving of credit where the same was done in good faith and could curtail the quantity of meats shipped to a given market

for the purpose of preventing an over-accumulation of meats as perishable articles in such markets it would seem that it was right and proper for other business men to establish uniform trade practices of an incidental character.

XII.

THE ARMSTRONG BUREAU IS NOT WITHIN THE TERMS OF THE DECISION OF THE SUPREME COURT IN THE HARDWOOD LUMBER CASE.

In the case of the *American Column & Lumber Company* v. *United States,* commonly called the *Hardwood Lumber* case, decided December 19, 1921, the Supreme Court handed down a decision as to an association, which counsel for the Government claim is decisive of this case. In that case there was a very large association of hardwood manufacturers. The association, however, not only collected information with regard to the hardwood industry, but all of this information was cleared through a "Manager of Statistics" who in the opinion of the court, endeavored to interpret the information to the members, urging upon them higher prices and a limiting of production.

Numerous meetings of the members were held with the same purpose in mind as the majority of the court viewed the evidence. Prices rose rapidly, and this court considered the evidence showed that that association was not merely an agency for the collecting and clearing of market news, but that the purpose and intent of that organization was higher prices and a limiting of production, in other words a restraint of trade. Many statements of the Manager of Statistics as well as of the members tending to show such a purpose, are quoted in the opinion, and the members were continually giving to each

other their views not only of market conditions, but also as to the future course of the market.

All of this is absent from the present case. There was no effort at market interpretation, either by Mr. Armstrong or by the subscribers. The information sent out was of facts. Opinions, guesses, prophecies and interpretations had no part in the Bureau's operation. There was no limit placed upon either prices or competition. Prices went up, but they also went down, and in several instances faster than they went up. There is no evidence of any intent other than to promptly secure market news.

In his opinion, Mr. Justice Clark states that genuine competitors do not give minute details of their business to their rivals, "and they do not submit the details of their business to the analysis of an expert, jointly employed, and obtain from him a 'harmonized' estimate of the market as it is, and in his specially and confidentially informed judgment, it promises to be."

The latter is of course true, but we feel that we have shown that in the great size of modern markets, much more cooperation in securing news of market conditions is necessary than obtained when business rivals were for the most part small local concerns on opposite sides of the same street in a small city or town, and each subjected to the constant scrutiny of the other. Under those conditions the statement may be correct. But in the marketing of a commodity, in a market countrywide in extent, a great deal more is needed, and that explains the great development of market news agencies both public and private, already described.

It is respectfully submitted that the decision in the *Hardwood Lumber* case is not applicable here.

XIII.

IF THE PLAN OR OPERATIONS OF THE ARMSTRONG BUREAU IN ANY WAY INVOLVED A RESTRAINT OF TRADE, IT WAS NOT AN UNDUE OR AN UNREASONABLE RESTRAINT OF TRADE.

In the cases of *Standard Oil Co.* v. *United States*, 221 U. S. 1, and *United States* v. *American Tobacco Co.*, 221 U. S. 106, the Supreme Court entered upon what was regarded as a basic reinterpretation of the Anti-Trust Act. The Sherman Anti-Trust Act is an expression by the Congress of a national policy. As it was previously interpreted, that policy would have excluded almost every form of consolidation in industry or restraint of trade, wholly irrespective of the economic conditions upon which such consolidation or restraint might have been founded. The evident purpose of the Supreme Court in the *Standard Oil* and *Tobacco* cases was to read into that Act a policy more liberal to the modern trend of industry. Unless that was the court's purpose no purpose worth the voluminous pages devoted to the opinion existed at all.

BUT THE COURT EVIDENTLY FELT (JUSTICE HARLAN DISSENTING) THAT SOMETHING MORE WAS DUE TO THE BUSINESS OF THE COUNTRY THAN MERELY TO DECIDE THOSE CASES ON THEIR CONCRETE FACTS. It was because of this, undoubtedly, that the court entered on a basic reinterpretation of what the Sherman Act meant; as the result of which, setting aside "potentiality" to do injury, as the basic test, the court replaced it with the "rule of reason," as to what constituted restraint of trade. Recognizing that the term "restraint" in connection with trade was not a word of mere description—"restraint" in its pure literary sense—but was a concrete noun in the law, the court went to contracts in restraint of trade at common

law for light as to exactly what that noun stood for and meant in the Sherman Act. And it was largely because at common law, the noun restraint of trade meant only unreasonable or undue restraint, that the court replaced mere potentiality to do injury with the "rule of reason" as the test.

Prior to the "rule of reason," what was overlooked was that purely artificial barriers in the long run would be not only uneconomic, but would be injurious to the public; that the economic current—industrial evolution and development, which had set in, subject to such limitations as would keep it from overflowing the banks of safety, was a natural and inevitable current; that great changes in industry have taken place; the unit of industry had grown from the single individual and his few assistants into masses of men, organized into industrial companies; market news everywhere collected and distributed.

It took years for this view to become established. But when it did become recognized, it was reflected in the *Standard Oil* case (221 U. S. 1) and the *Tobacco* case (221 U. S. 106), decided 12 years after the *Trans-Missouri* case. The presumption that the motive and intent were necessarily to arbitrarily raise prices to the public, gave way in the *Standard Oil* and *Tobacco* cases to the inquiry: Was such the motive and intent of the specific transactions in question? In a word, the Supreme Court changed from mere "potentiality" to do injury to the public as the test of whether the transactions were lawful or not, to the "Rule of Reason," that at common law had governed the question of whether the restraint of trade resulting was, all things considered, one harmful to the public or not.

In the case of *Nash* v. *United States*, 229 U. S. 373, the court formulated a negative definition or test of what is meant by the "rule of reason," as follows:

"Only such contracts and combinations are within the act as *by reason of intent* or *the inherent nature of the contemplated acts prejudice the public interest by unduly restricting competition or obstructing the course of trade.*" (Italics ours.)

From this view the court has not departed, but the view has been subsequently upheld in the case of *United States* v. *U. S. Steel Co.*, 251 U. S. 417, and other cases.

Under the test laid down in these cases, the court must consider the "intent" and the "inherent nature" of the acts. For that reason the court must also consider, and has considered, the economic changes in our developing society. The acts to be considered are those of men carrying on business and industry. They are men who are buying, selling, manufacturing, transporting. Their intent can only be understood in the light of what they are doing. Are their actions reasonable? Are they beneficial or harmful to society? These questions can be answered only after a careful inquiry as to the needs and development of business.

For example, the reasonableness from the standpoint of society of such a great consolidation as the United States Steel Co. lies in the steel business itself, in the need for an integration of such business, of operating it as a unit with one corporation, mining and transporting the ore, operating the blast furnaces, converting the pig iron into steel and then fabricating the steel into products ready for commercial use. To do this of necessity requires a vast organization, all of which was apparent to this court when it considered that great case.

In the *Steel* case the court found that the underlying economic considerations justified the purpose and intent of that organization. BUT THE COURT NOT ONLY DECIDED THE STEEL CASE ON ITS FACTS, IT LAID DOWN A RULE OF CONDUCT FOR BUSINESS IN GENERAL.

The need of Society for the most economical and
ficient process of making steel and its products brou
about such great corporations. The reason then for th
existence, in other words, their reasonableness, is fou
in the development of the industry itself, and not in boo
of law.

For that reason, in applying the Sherman Anti-Tru
Act, the court must with wisdom and with broad visi
look out upon a vast and rapidly developing society.
must consider the economic structure of that society.
must consider the reasons for the development of ne
industrial agencies in order to decide what is the inte
of men, what is the inherent nature of their acts, a
whether those acts are beneficial or prejudicial to t
public.

In this case in an endeavor to determine the real inte
of these men, we have endeavored to show the deep u
derlying economic need of that which they sought to s
cure. We have tried to show what was their actual "i
tent." We have endeavored to show the "inherent n
ture" of their actions, and that their actions were in th
public interest and not adverse to it. Men need and mus
have market news. They always will need it. Prices o
competitors constitute one of the most important ele
ments of market news, and knowledge of them is abso
lutely essential to competition.

The great development of transportation has so tre
mendously enlarged our markets that newer, better, mor
accurate, more immediate methods of securing marke
news are essential. This agency called the Armstrong
Bureau was in fact what it claimed to be, a modern
method or agency for the better collecting and distribut
ing of market news. The rapid spread of this marke
news to the manufacturers directly, but rapidly, if indi

rectly, to the buyers tended to bring prices more quickly into proper adjustment to supply and demand. The Bureau did not endeavor to build up practices inimical to the public interest, but rather to develop the business in the interests of all.

Applying the rule of this court, how then can it be held that the acts of these defendants constituted an unreasonable restraint, or even any restraint of trade or commerce?

It is submitted that there was no unlawful purpose and no unlawful acts and that the decision of the Court below should be affirmed.

The need of business, of the nation as a whole with regard to business is not ignorance. Ignorance of the facts may for a time prevent prices from rising, but it is to ignorance that we owe over-production and under-production.

It is to ignorance that we owe those periodic financial storms, which in the midst of seeming prosperity sweep across the land, destroying great financial institutions, throwing men by the thousands out of employment, leaving financial wreckage and misery in their wake.

In business, as well as in every line of human endeavor, the need is for knowledge, for knowledge of all the facts, not that men may evade law but that they may obey it. For only out of a fullness of knowledge can men ever hope to act with wisdom.

Respectfully submitted,

Wm. J. Matthews,
Hugh T. Martin,
as Amici Curiae.

UNITED STATES v. AMERICAN LINSEED OIL COMPANY ET AL.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS.

No. 307. Argued April 25, 26, 1923.—Decided June 4, 1923.

For the avowed purpose of substituting so-called "open competition" for the normal competition theretofore prevailing between them, but really to defeat the Sherman Anti-Trust Act without subjecting themselves to its penalties, large manufacturers of linseed oil, oil cake and linseed meal, subscribed to an agreement with a central agency which required each of the subscribers: to reveal to the agency, promptly and periodically, intimate details of its business for transmission to the others; to subject itself to autocratic powers vested in the agency; to pay large fees to the agency and make it pecuniary deposits forfeitable for infractions of the agreement; to furnish schedules of prices and terms of sale and adhere to them (unless more onerous ones were obtained), until prepared to give immediate notice of departure therefrom for relay by the agency to the other subscribers; to be represented at monthly meetings and report upon matters of interest to be there discussed; and to comply with all reasonable requirements of the agency, and divulge no secrets. *Held*, that the necessary effect of the combination, viewed in the light of what was done under it, was to suppress competition, in violation of the Sherman Act. P. 388. *American Column & Lumber Co.* v. *United States*, 257 U. S. 377.

275 Fed. 939, reversed.

APPEAL from a decree of the District Court dismissing a bill for an injunction, brought under the Sherman Act.

Mr. James A. Fowler, Special Assistant to the Attorney General, with whom *Mr. Solicitor General Beck* was on the brief, for the United States.

The competition which it was intended by the Sherman Act to preserve was that existing in the economic world at the time of its enactment; and which had always existed and continued to exist, except as now and then inter-

fered with by unlawful agreements down to the organization of latter day associations and bureaus. Economists then supposed that prices were regulated by the law of supply and demand. Of course the price of an article was necessarily based on the cost of producing and selling it. It could not for any substantial length of time be sold at a price under cost of production and marketing; but the producer's profit depended upon the amount he could realize in excess of costs, and that was controlled by the demand and the supply in the market. The producer then sought to manufacture his article at the lowest cost possible. He would figure a reasonable profit upon that cost, and would be satisfied if he could receive the amount thus determined. If he had an advantage in location; or for any reason he could obtain his raw material more cheaply than a competitor; or had his factory so organized that he could produce the article more economically, the public received the benefit of those advantages, unless the demand was substantially in excess of the supply; in which event naturally he increased his price, thus temporarily realizing a larger profit. If this condition continued for a time others entered the field, and the production soon equaled or probably exceeded the demand; and then it became a question of the survival of the fittest. Under those conditions but little attention was given to the prices of competitors. When the market was active because the demand was great, prices naturally advanced; when business was depressed and demand lax, prices were reduced. Then producers were endeavoring to conceal every detail of their business from their competitors; and they were in ignorance of the details of each other's business except as they were accidentally revealed to them through agents, or possibly were obtained through some devious method. All effort, therefore, was concentrated upon producing the goods as cheaply as possible, so that they could sell them upon the market against competition,

and yet realize a reasonable profit; and no dependence was had upon the prices of competitors.

Under the present system of so-called "constructive" competition a precisely contrary course is pursued. Each producer of an article reveals every detail of his entire business to every competitor. He reports to him every sale, and the price at which it is made, and the locality to which it is shipped. They all agree upon terms of sale, and the amount that shall be charged to every locality in lieu of the freight from the mill to such locality. They adopt uniform practices with reference to storage, and conditions under which allowances shall be made. They then meet together and personally discuss every question relating to the production and distribution of the goods made by them. In other words, every producer is as familiar with the details of the business of his competitors as he is with those of his own business, or as they are with their business. Can anyone possessing intelligence sincerely contend that this revolution does not profoundly affect the economic laws governing prices which previously existed, and does not necessarily affect prices themselves? The result is that the producer now devotes his time to studying the business of his competitor instead of his own business. He interests himself in ascertaining whether his competitor has deviated at some point from an agreed uniform practice and in calling him upon the carpet to stop such deviation, rather than in figuring upon some means of reducing the cost of production. In determining upon prices he studies the price lists of his several competitors, ascertains what they are receiving for their goods in certain markets, and fixes his price therefrom instead of studying his cost sheet and determining what is a reasonable profit upon his investment.

If it be conceded that there are plausible arguments in support of this so-called "stabilization," which is nothing less than fixing prices, and of the effects of this so-called

"constructive" competition, the debate over that question is purely an economic and not a legal one. The undoubted fact is that economic laws are profoundly affected by this new system; and the Sherman Act was passed to maintain the system governing competition then existing; and any fundamental change in practice by agreement between competitors whereby prices of articles moving in interstate commerce are substantially affected is a violation of that act.

The combination between the defendants is unlawful, because when carried into effect it inevitably restrains interstate commerce. *American Column & Lumber Co.* v. *United States*, 257 U. S. 377.

It has been repeatedly held that any combination which necessarily results in a restraint of interstate commerce is violative of the Anti-Trust Act regardless of how innocent the intention of the parties thereto may have been. *United States* v. *Freight Association*, 166 U. S. 290; *Addyston Pipe Co.* v. *United States*, 175 U. S. 211; *United States* v. *St. Louis Terminal Co.*, 224 U. S. 383; *United States* v. *Reading Co.*, 226 U. S. 324; *United States* v. *Patten*, 226 U. S. 525; *Standard Sanitary Mfg. Co.* v. *United States*, 226 U. S. 20.

It is just as unlawful to agree upon practices as upon prices, as conveniences and favors to the trade suffer because of the elimination thereby of all competition in practices. *United States* v. *Union Pacific R. R. Co.*, 226 U. S. 61, 88.

The restraint resulting from the combination was an unreasonable and unlawful restraint. It has been assumed by some of the lower courts that in speaking of a reasonable restraint in the *Standard Oil Case*, 221 U. S. 1, Mr. Chief Justice White had reference to the amount of the restraint of interstate commerce. However, a careful consideration of that opinion shows that the learned Chief Justice had in mind the character of the agreement

or combination which produced the restraint, and not the extent of the restraint resulting therefrom. 221 U. S. 58. *United States* v. *American Tobacco Co.*, 221 U. S. 179; *United States* v. *Addyston Pipe Co.*, 85 Fed. 271.

The relief that should be granted in this case is an adjudication that the combination described in the bill and proven in the evidence is unlawful *in toto*, and an injunction inhibiting any further operation under the plan as a whole or under any part thereof. *American Column & Lumber Co.* v. *United States*, 257 U. S. 377; *Swift & Co.* v. *United States*, 196 U. S. 375.

Mr. John Walsh, with whom *Mr. Louis A. Spiess* was on the brief, for Ankeney Linseed Manufacturing Co. et al., appellees.

The charge of the Government in this case, is that the inevitable result of the exchange of true and accurate market information as to past transactions must inevitably result in a curtailment of production and the advancement of prices, and therefore is in violation of the Sherman Anti-Trust Act.

That act being a penal statute, proof of its violation must be clear, positive and convincing. *Northern Securities Co.* v. *United States*, 193 U. S. 197; *United States* v. *Reading Co.*, 183 Fed. 427.

We contend therefore that it is incumbent upon the Government to show that the operations of the Bureau necessarily had the effect of curtailing production or enhancing prices. Further, if the Government relies on circumstantial evidence to prove a combination or conspiracy to restrain trade, as it asserts it does, it must show that the circumstances upon which reliance is placed are inconsistent with supposition of innocence.

The burden is on the Government in this case to prove by a clear and satisfying preponderance of evidence that

a combination or conspiracy existed among the defendants to bring about an unlawful result. The rule as to presumptions and burden of proof in a suit in equity for injunction to prohibit violations of the Sherman Act is substantially the same as in a criminal case for violation of the act. That rule is very clearly announced in *Union Pacific Coal Co.* v. *United States*, 173 Fed. 737.

While this is a civil suit, it is based upon an alleged violation of the Sherman Act, which is a highly penal statute. Thus a judgment under the pleadings in such a civil action must necessarily rest upon the conclusion from the facts that this highly penal statute has been violated.

It is quite useless to review the decisions of the courts which condemn combinations and conspiracies in restraint of trade in violation of the Sherman Act. Each case stands upon its own facts. Each of the reported cases where acts are condemned as combinations and conspiracies in violation of law are well supported by courses of conduct from which any discerning mind can at once come to the conclusion that the conduct complained of constituted a direct restraint upon competition, and artificially interfered with the natural course of trade. We submit that no such degree of proof is present in this case.

We do not feel that it is necessary to discuss the legal difference between reasonable and unreasonable restraint of trade. We contend that there is no proof submitted to show that any restraint was brought about through the dissemination by the Bureau of true, accurate market information as to past transactions. We feel, however, that what is the test of reasonable or unreasonable restraint of trade is not out of place in this case. *United States* v. *Addyston Pipe Co.*, 85 Fed. 271, 282.

There is no proof in the record that the interests of the public were injuriously affected, or that buyers ever complained that they were being penalized by prices quoted

by the members of the Council. Further, there is no proof in the record that crushers outside of the Council were injuriously affected in their efforts to compete for the business of the crusher defendants. Those who are injured are the first to complain, and the Government submitted no testimony that any one had complained against the operations of the Bureau.

It is a matter of record, however, that buyers called by the Government and the defendants testified that they never considered the prices quoted by the defendant crushers while members of the Linseed Oil Council were out of line with price of flaxseed. This fact we assert ought to be proof sufficient that no one was burdened by reason of the exchange of accurate market information set forth in this case. *United States* v. *United States Steel Corporation*, 223 Fed. 154, 155.

It is true that the crushers did have the benefit of accurate information which assisted each in individually forming his own judgment as to the prices he should charge for his product. Every one who has anything to sell always seeks to ascertain what others are selling the same products for. There can be no violation of law in that. Can it be said to be unlawful if persons having like products for sale agree among themselves to inform each other as to the prices that have prevailed? Nothing further was done by the linseed oil crushers. They had freedom to contract, to do a lawful thing, and they did nothing more. Not a scintilla of evidence has been presented in this case that indicates, by inference or otherwise, that the exchange of information by the linseed oil crushers brought about an artificial influence on the linseed oil market. *United States* v. *United States Steel Corporation*, 251 U. S. 417.

The Court cannot, and will not, decide this case on guess or presumptions not supported by evidence, but can, of course, only find the existence of a purpose to artificially

influence prices, and the affecting thereof, by a clear and satisfying preponderance of the evidence.

Applying the test of this Court, in the language of the opinion in *Board of Trade of Chicago* v. *United States*, 246 U. S. 231, how can there be spelled out of the conduct of the linseed oil crushers any purpose or effect of lessening or suppressing competition? *State* v. *Arkansas Lumber Co.*, 260 Mo. 212.

We assert that before the Court can find an unlawful use by the defendants of such information, it is necessary to find that there was an agreement, express or implied, to unlawfully use the information. *United States* v. *Prowaty & Sons*, 251 Fed. 375; *United States* v. *Naval Stores Co.*, 172 Fed. 455, 460.

So far as we can ascertain no court, state or federal, has ever held that the collection and dissemination of true, accurate market information, although obtained from and exchanged by competitors, constituted a violation of law as part of a combination or conspiracy in restraint of competition or trade.

The matter of uniformity of price of itself means nothing so far as proof of combinations or conspiracies is concerned if there is no proof of effort to bring it about by concerted action.

Mr. Thomas M. Debevoise, with whom *Mr. Eugene Congleton* and *Mr. Willet M. Spooner* were on the brief, for American Linseed Oil Co. et al., appellees.

The operation of the Linseed Crushers Council did not affect the market price of linseed oil. The price of linseed oil was determined by the market price of flaxseed.

The record shows, without any evidence to the contrary, that prices, spot and future, of linseed oil are directly based upon prices, spot and future, of flaxseed; that flaxseed, like wheat and other commodities of like nature, is bought and sold on open exchanges and that fluctuations in flaxseed prices cannot be artificially controlled.

The members of the Linseed Crushers Council during its existence were actively competing against each other, and although there were periods during the operation of the Council, just as there had been before the Council was formed, when the prices of linseed oil were uniform, these periods of uniformity obtained at times when the market was inactive and did not obtain when the market was active and sales were large.

The correspondence between the Armstrong Bureau and the members of the Linseed Crushers Council indicates clearly that the individual council members were actively competing with each other, and the very insistence by the individual members that the reports of price changes should be prompt and accurate negatives the existence of any understanding or agreement to maintain arbitrary prices.

The Government's argument based upon the uniformity of prices at various periods during the operation of the Council is palpably misleading.

The decision of the court below, to the effect that the facts adduced at the trial did not constitute a direct and undue restraint of competition among members of the Linseed Crushers Council, supported by a great preponderance of evidence, is entitled to great weight in this Court. *United States* v. *United Shoe Machinery Co.*, 247 U. S. 32; *Adamson* v. *Gilliland*, 242 U. S. 350; *Davis* v. *Schwartz*, 155 U. S. 631; *Tilghman* v. *Proctor*, 125 U. S. 136.

Mr. Wm. J. Matthews and *Mr. Hugh T. Martin*, by leave of court, filed a brief as *amici curiae*.

MR. JUSTICE MCREYNOLDS delivered the opinion of the Court.

By an original bill filed June 30, 1920, the United States charged that appellees—defendants below—were parties

to a combination in restraint of interstate trade and commerce forbidden by the Sherman Act, and asked that they be enjoined from continuing therein. The court below held the combination lawful and dismissed the bill. 275 Fed. 939.

The defendants are twelve corporations, commonly referred to as "crushers," with principal places of business in six different States, which manufacture, sell and distribute linseed oil, cake and meal; and Julian Armstrong, who operates at Chicago under the name, Armstrong Bureau of Related Industries. This Bureau conducts a so-called "exchange" through which one subscribing manufacturer may obtain detailed information concerning the affairs of others doing like business. The defendant "crushers" constitute one of the groups who contract for this service. They manufacture and distribute throughout the Union a very large part of the linseed products consumed therein and prior to the challenged combination were active, unrestrained competitors. Some time in September or October, 1918, each of them entered into an identical written "Subscription Agreement" with the Armstrong Bureau, and a year thereafter signed another, not essentially different. The latter is summarized and quoted from below.

After stating that "the matter contained herein is for the exclusive and confidential use of the subscriber," the agreement recites that it and other "crushers" of flaxseed desire promptly and economically to secure from and through the Bureau the following things, "which will promote better and more safe, sane, and stable conditions in the linseed oil, cake, and meal industry and increase its service to the commonwealth:" Comprehensive data as to market, trade and manufacturing conditions in the linseed oil industry; economies in manufacture and sale by frank exchange of accurate information; the latest authentic information concerning the credit of buyers; a

broader market for cake and meal; establishment of uniform cost accounting systems; fair and just freight tariffs and classifications; definite standardization of the products of the industry; economies in the development of foreign markets and increase of sales therein; stabilization of the flaxseed market so far as lawful; shipment of cake and meal to the consumer from the nearest point of production.

The contracting "crusher" agrees:

To subscribe for the Bureau's service for twelve months and thereafter from year to year, subject to cancellation by either party upon thirty days' notice, and pay therefor a sum reckoned upon the amount of flaxseed milled by it, but not less than eleven hundred dollars annually.

That all information reported or received shall be purely statistical and relevant to past operations and no part of the Bureau's machinery will be used to fix prices, divide territory, limit sales, production or manufacture, or control competition.

That it will "promptly make, have made, forward, and have sent in and to said bureau, as and in the form required by this agreement, full, accurate, complete, signed, and certified reports of all said sales, quotations, and offerings or other information required by the bureau and full, correct replies or answers to any and all inquiries concerning the same or seeking any information in regard thereto."

That upon request it will "at once turn and have turned over to the bureau's auditor for examination all vouchers, books of account, correspondence, and such other evidence or documents as he may request or, in lieu of the same or any part thereof, such abstracts therefrom as he may designate, verified under oath and certified by a certified public accountant in good standing."

That "if any subscriber considers that it has good cause to question the report made by any other subscriber then

it may request an investigation or audit to be made by the bureau and, if considered proper by the bureau, it will be so made," the incident expense to be paid by the party found in error.

That it will deposit with the Bureau not less than one thousand nor more than ten thousand dollars of Liberty Bonds, according to its milling capacity.

That "should the undersigned subscriber fail, in any manner whatsoever, to comply with any of the terms of this agreement or with any and all reasonable requirements of said bureau, then it shall and does hereby forfeit to said bureau, at its election, all money paid for services and all further benefits and rights under this agreement; which forfeiture, for just cause, may be declared by said bureau, evidenced by written notice thereof mailed to said offender by U. S. registered mail, and such subscriber shall thereby forfeit all further right, title, or interest in and to said bonds (so on deposit) in whole or in part," subject to the right of appeal to a council, of three subscribers, which shall have power to review the entire matter, reinstate the offender or take such other final action as seems proper. No fine shall exceed the deposit with the Bureau.

That it will (a) "immediately, and when and as hereafter issued, deposit with the bureau all published price lists of the undersigned covering raw and boiled linseed oil, cake and meal; (b) also to report to the bureau by prepaid telegraph, and further confirm by mail, duplicate of all quotations made at variance with above price lists, giving better terms to the contemplated purchaser than those quoted; (c) with all reports made in compliance with the above paragraph 'b' of quotations which amount to one carload or more of oil, cake or meal there shall also be reported at the same time and in the same manner the prospective buyer's name, address, and f. o. b. point of shipment; (d) in so far as the above reports 'a,'

'b' and 'c' do not disclose the following, the undersigned 'subscriber' agrees to give the following information in connection therewith; that is: the exact prices, terms, and discounts—and whether made to jobber, dealer, or consumer—and in what quantities, carload or less than carload, and warehouse or mill prices; (e) also to promptly report all changes in and alterations or withdrawals of the above, of every kind whatsoever, that may be made; (f) also to promptly report by prepaid telegraph, and further confirm by mail, all orders received by the undersigned subscriber in response to special quotations made as above provided in paragraph 'c,' designating the quotation which is the basis of such order and any variance therefrom."

That "directly at the close of each day's business each subscriber shall mail by special delivery to the bureau a complete report of all its carload sales for that day of oil, cake or meal, not covered by its previous daily sales reports, which report shall disclose the quantity and kind, price and terms, and whether for immediate or future delivery, and if no sale has been so made, this fact shall be likewise reported."

That for the purpose of compiling a weekly sales report "a map of the United States shall be divided into zones as agreed upon by all of the subscribers to this service, and each subscriber at the conclusion of the week shall send to the bureau by special delivery, not later than the following Monday night, a compiled report of all of its sales of oil, cake or meal into each zone made during the period covered by such report and not previously so reported, specifically setting forth the following: (a-a) Total gallons of oil sold into each zone, also showing the total gallons and price per gallon received for such oil sold; (b-b) Total tonnage of cake and meal sold into each zone, also showing total weight and price received per ton for such cake or meal sold; (c-c) Sales reports on both

oil, cake and meal shall differentiate spot and future delivery, giving period of such futures."

That before the tenth day of each calendar month it will report to the Bureau the number of gallons of oil and the total tons of meal or cake on hand not covered by sale or contract.

That all information received from the Bureau or any meeting of subscribers will be treated as confidential.

The Bureau undertakes, "with the help of each and every subscriber":

That it will use its best efforts to organize the linseed oil, cake and meal industry of the United States.

That it will afford its full statistical service for the exchange of information concerning quotations, sales, shipments, production and terms, also the service of its credit reporting department, will suggest from time to time the means for broader service; and will supply additional service whenever required, the rate to be agreed upon.

That the statistical service furnished shall be accomplished and provided by the use of special report forms conveying information on past transactions, which may be modified, changed and others provided, as experience suggests or as called for by the subscribers in any of their meetings and approved by the Bureau.

That the market information received by the Bureau will be cleared and relayed promptly to subscribers in good standing.

That it will send to subscribers, in the form of market letters, "news clippings" of interest to the industry and in accordance with the object and terms of the agreement.

It is agreed by all:

That "monthly meetings will be held of all subscribers hereto at some convenient center," with a representative of the Bureau, as Secretary, who shall present the matters pertaining to the industry to be therein openly discussed. Subscribers may send in notice of matters and

topics for discussion and if they accord with the agreement and object of the service the Bureau shall cause the same to be docketed and presented. "All subscribers shall report at these meetings on all matters and conditions within their knowledge affecting the industry and within the limits of this agreement that they may be there discussed for mutual benefit." "Any subscriber failing to attend in person or by said representative at each of these meetings and be in punctual and continued attendance thereon shall be subject to a fine of twenty-five dollars for each offense, the same to be collected by and payable to the bureau. This fine may be remitted by a majority vote of the members present at the meeting where it is incurred."

That " any subscriber who has made offerings or quotations to a prospective buyer and is advised by such buyer that it is not to be awarded such business shall have the right to immediately advise the bureau of such unsuccessful offering or quotation giving all details of such bid or offering, and may then request the bureau to bulletin all of its subscribers asking specific information regarding any quotation or sale to such prospective buyer by any of the other subscribers and the bureau, on receipt of such request, will immediately bulletin all subscribers asking therefor and on receipt of replies will send out a compilation report thereof to all subscribers, together with the details of sale, if such a sale has been reported, so that all subscribers, including the original inquirer, will have a complete report of this transaction. On receipt of a request for such specific information from the bureau, the undersigned subscriber will immediately reply to same giving full information as to any quotation or sale which it may have made to such a buyer and, if it has made none, so report."

That each subscriber will furnish the Bureau, upon request, information pertaining to any buyer of linseed

oil, cake and meal and may request the Bureau to secure like information from all other subscribers, whenever it shall have an order or an account with, or an inquiry from, the buyer, and this information will be promptly relayed to all interested subscribers.

When an adequate number of subscriptions had been obtained (September, 1918) the organization began vigorously to function according to letter and spirit of the agreement. It will suffice to state a few of the steps taken.

The United States were divided into eight zones for price quoting; and it was stipulated that each member should quote a basic price for zone number one and should add thereto one, two, four, six, seven, eight and eleven cents, respectively, for the others. At subscribers' meetings regularly held "matters pertaining to the industry" were discussed; members were "put on the carpet" and subjected to searching inquiry concerning their transactions. A meeting held October 29, 1919, adopted the following rule: "In order to provide that the daily market information as relayed by the bureau shall at all times contain the fullest measure of news value, it is agreed that hereafter no council member shall dispatch changes in his prices as last filed with the bureau to more than one buyer without instantly thereafter telegraphing such full and complete information to the bureau as, and in the form, required by the service contract." Another meeting "resolved that it now be recorded that the recommended terms of this council for the sale of oil be 1% discount for cash settlement in 10 days, or 30 days net trade acceptance from date of shipment, and in order that a specific list of the terms of sale of all the council members may now be compiled and distributed, it is further resolved that all council members shall send to the bureau, not later than January 27th, a full explanation of the terms of sale as quoted by them to their trade."

The Bureau displayed great industry in making inquiries, collecting information, investigating the smallest derelictions and giving immediate advice to subscribers. Hundreds of so-called "market letters," relating to divers transactions, were sent to subscribers. A sale of two barrels of oil below schedule was deemed worthy of special attention. Also from time to time it gave counsel concerning "unfair merchandising" and the necessity for establishing sound policy by constructive coöperation. The following letters—224 and 245—dated February 5 and 12, 1919, are characteristic.

"Will all council members please reply promptly and fully through the bureau whether or not they made the sale in question to the following?

New York, N. Y., Feb. 3, 1919.

Armstrong Bureau of Related Industries, Chicago.

Gentlemen: Our Chicago manager advises us that under date of February 1st the Enterprise Paint Mfg. informed him that they had bought 10 barrels linseed oil at less than $1.46 from another crusher in the Chicago territory. Will you kindly bulletin the subscribers with a view to finding out if any of the crushers sold this lot at under their published price?

Yours very truly, American Linseed Company."

"In the file of replies today completed, 11 subscribers state, in effect, that they have neither quoted nor sold the Enterprise Paint Mfg. Co. The sale was apparently made by subscriber No. 6, whose letter follows:

Minneapolis, Minn., Feb. 6, 1919

Armstrong Bureau of Related Industries, Chicago.

Gentlemen: Replying to your market letter No. 224, we sold Enterprise Paint Manufacturing Company on February 3rd five barrels of bleached linseed oil at $1.50 delivered their plant. This is our price in the Chicago market at the present time.

Yours truly, Midland Linseed Products Co."

The prices of oil became more stable.

Defendants continued with meticulous care actively to carry out the several provisions of the agreement amongst them; and that they intended further to pursue the plan unless restrained is not denied.

The obvious policy, indeed the declared purpose, of the arrangement was to submerge the competition theretofore existing among the subscribers and substitute "intelligent competition," or "open competition;" to eliminate "unintelligent selfishness" and establish "100 per cent confidence"—all to the end that the members might "stand out from the crowd as substantial co-workers under modern co-operative business methods."

In *American Column & Lumber Co.* v. *United States*, 257 U. S. 377, we considered a combination of manufacturers got up to effectuate this new conception of confidence and competition and held it within the inhibition of the Sherman Act because of inevitable tendency to destroy real competition, as long understood, and thereby restrain trade. Our conclusion there cannot be reconciled with the somewhat earlier opinion and judgment of the court below. They are in direct conflict.

The Sherman Act was intended to secure equality of opportunity and to protect the public against evils commonly incident to monopolies and those abnormal contracts and combinations which tend directly to suppress the conflict for advantage called competition—the play of the contending forces ordinarily engendered by an honest desire for gain. "The statute did not forbid or restrain the power to make normal and useful contracts to further trade by resorting to all normal methods, whether by agreement or otherwise, to accomplish such purpose. . . . The words restraint of trade should be given a meaning which would not destroy the individual right to contract and render difficult if not impossible any movement of trade in the channels of interstate commerce—the free movement of which it was the purpose of the

statute to protect." *United States* v. *American Tobacco Co.*, 221 U. S. 106, 179, 180; *Ramsay Co.* v. *Associated Bill Posters*, 260 U. S. 501; *Federal Trade Commission* v. *Sinclair Refining Co.*, 261 U. S. 463.

Certain it is that the defendants are associated in a new form of combination and are resorting to methods which are not normal. If, looking at the entire contract by which they are bound together, in the light of what has been done under it the Court can see that its necessary tendency is to suppress competition in trade between the States, the combination must be declared unlawful. That such is its tendency, we think, must be affirmed. To decide otherwise would be wholly inconsistent with the conclusion reached in *American Column & Lumber Co.* v. *United States, supra.*

The record discloses that defendants, large manufacturers and distributors—powerful factors in the trade—of commodities restricted by limited supplies of raw material (linseed), located at widely separated points and theretofore conducting independent enterprises along customary lines, suddenly became parties to an agreement which took away their freedom of action by requiring each to reveal to all the intimate details of its affairs. All subjected themselves to an autocratic Bureau, which became organizer and general manager, paid it large fees and deposited funds to insure their obedience. Each subscriber agreed to furnish a schedule of prices and terms and adhere thereto—unless more onerous ones were obtained—until prepared to give immediate notice of departure therefrom for relay by the Bureau. Each also agreed, under penalty of fine, to attend a monthly meeting and report upon matters of interest to be there discussed; to comply with all reasonable requirements of the Bureau; and to divulge no secrets.

With intimate knowledge of the affairs of other producers and obligated as stated, but proclaiming them-

selves competitors, the subscribers went forth to deal with widely separated and unorganized customers necessarily ignorant of the true conditions. Obviously they were not *bona fide* competitors; their claim in that regard is at war with common experience and hardly compatible with fair dealing.

We are not called upon to say just when or how far competitors may reveal to each other the details of their affairs. In the absence of a purpose to monopolize or the compulsion that results from contract or agreement, the individual certainly may exercise great freedom; but concerted action through combination presents a wholly different problem and is forbidden when the necessary tendency is to destroy the kind of competition to which the public has long looked for protection. The situation here questioned is wholly unlike an exchange where dealers assemble and buy and sell openly; and the ordinary practice of reporting statistics to collectors stops far short of the practice which defendants adopted. Their manifest purpose was to defeat the Sherman Act without subjecting themselves to its penalties.

The challenged plan is unlawful and an injunction should go against it as prayed by the original bill. The cause will be remanded to the court below with instructions to issue such an injunction and promptly to take any further action necessary to carry this opinion into effect.

Reversed.

MEYER *v.* STATE OF NEBRASKA.